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FURTHER ON GDR-USSR MILITARY EXERCISES

Observers Arrive

LD280817 East Berlin ADN International Service in German 1657 GMT 27 Jul 87

[Excerpts] Magdeburg, 27 July (ADN) -- The joint troop exercises between the Group of Soviet Forces in Germany [GSFG] and the GDR's National People's Army [NVA] in the Gardelegen, Magdeburg, Templin, Neustrelitz, and Wittstock area continued today. [passage omitted]

Generals, officers, and diplomats from 21 CSCE signatory countries arrived in the GDR as observers of the troop exercises. The invitation to attend, which had been issued in accordance with the final document of the Stockholm Conference, had been accepted by representatives of Bulgaria, the FRG, the CSSR, Denmark, Finland, Norway, Austria, Poland, Portugal, Romania, Sweden, Switzerland, Spain, Hungary, and the United States of America.

They were welcomed in Magdeburg on behalf of the GDR Government and Minister of Defense General Heinz Kessler by Lieutenant General Guenter Leistner of the NVA. In his speech, Leistner pointed out that the exercise, the third this year on GDR territory to which observers had been invited, bore witness to the GDR's strict adherence to the letter and the spirit of the agreement.

This was in line with the GDR's fundamental position to do everything it could to secure peace, disarmament, and detente -- to create a climate of trust and cooperation. As a member state of the Warsaw Pact, the GDR has consistently implemented proposals put forward at the Berlin meeting of the Political Consultative Committee that seek to prevent a war and banish it forever from the face of the earth.

The NVA and the GSFG are close comrades-in-arms, and they are solving the joint task of reliably protecting the achievements of the workers of the fraternal countries. In doing so, both armies are carrying out their defensive task with a great sense of responsibility, and in the spirit of the military doctrine of the member states of the Warsaw Pact.

Afterward, the soldiers and diplomats received the observers' papers.

Observers Begin Work

LD282312 East Berlin ADN International Service in German 1200 GMT 28 Jul 87

[Text] Magdeburg, 28 Jul (ADN) -- The second stage of the joint troop exercise by the Group of Soviet Forces in Germany [GSFG] and the GDR's NVA began today. Defensive battles were characteristic of the actions by troops and staff in the Gardelegen, Magdeburg, Templin, Neustrelitz, and Wittstock area. The goal of Lieutenant General Vladimir Ruschenkov, commander of an army of the GSFG [name and title as received], who is leading the exercise, is the perfection of the combat readiness of members of the army, the coordination of sections of the forces with various types of weaponry, and the deepening of brotherhood in arms of the NVA and the Soviet Army.

Major General Mikhail Arkhipov, deputy commander of the troop exercise, welcomed observers from 21 CSCE states and briefed them on the starting position.

At Position B of a battalion's defensive area, Major Vladimir Gordiyenko, commander of a motorized battalion of marksmen, reported his decision. He stressed the readiness of his unit to thwart an expected attack by the "northerners" by the efficient use of all weapons. Every sixth member of the combat collective has the best title and every one in five has the highest classification.

After this the observers had the opportunity to hold conversations with Soviet soldiers in their positions.

Afterward the motorized marksmen in the company of 1st Lieutenant Vladimir Morosov, on the side of the "southerners," proved their solid state of training shoulder to shoulder with tank soldiers, artillery soldiers, air defense soldiers, pioneers, and airborne forces. They succeeded in halting the "northeners'" attack and in holding their allotted defensive base. During this the guards impressively fended off the "northeners'" figher bombers and combat helicopters with air defense missiles and quadruple air defense missiles on motorized mountings.

USSR-GDR-PPR MILITARY EXERCISE CONTINUES

LD282145 Warsaw PAP in English 2016 GMT 28 Jul 87

[Text] Warsaw, July 28 -- The military exercises of the allied armies codenamed "Friendship 87" continues in north-western Poland, attended by commands, staffs and units of the Soviet Army, GDR's National People's Army and the Polish Army.

"The exercise is an ideal opportunity to get to know each other better, establish closer contacts and exchange experiences. The Soviet soldiers, like the Polish ones, are brought up in the spirit of friendship, brotherhood and internationalism. The cause of preserving peace worldwide is dear to all of us," sergeant Pavel Chonik of the Soviet Army unit told PAP.

Similary opinions are presented by other participants in the exercise. The soldiers activity is accompanied by the atmosphere of friendship and brotherhood. This is expressed mainly when the training soldiers meet with older brothers-in-arms -- veterans of struggles against Nazi Germany during the 2nd World War.

HUNGARIAN DELEGATE DISCUSSES 'CONVENTIONAL DISARMAMENT'

LD281915 Budapest MTI in English 1636 GMT 28 Jul 87

[Text] Vienna, July 28 (MTI) -- On Tuesday Ambassador Andre Erdos, head of the Hungarian delegation to the Vienna follow-up meeting, stated at the committee for security issues that as positions on certain questions of the conventional disarmament forum have become closer and differences more distinct, it is now possible to look for compromises.

He expressed the hope that in September, when the two alliances will resume talks, the drafting of the mandate of the all-European conventional disarmament forum can be started without delay as outlines exist.

Andre Erdos pointed out that the official name of the scheduled forum, to be adopted at a later date, should reflect the aim to reduce troops and armaments. Another open question is the types of weapons and the geographical territory to be covered by the talks.

POLISH DELEGATE VIEWS 'CONVENTIONAL ARMS RACE'

LD282105 Warsaw PAP in English 2006 GMT 28 Jul 87

[By PAP correspondent Franciszek Malinowski]

[Text] Vienna, July 28 -- During the next-to-last plenary session in this round of the Vienna talks, Poland's delegate Jerzy M. Nowak explained to the participants the motives and essence of the Polish Government's memorandum recently presented to the 34 CSCE countries on the reduction of armaments and increasing confidence in Central Europe. Said he:

"This initiative expresses Poland's basic security interests. We are well aware of the unfavorable consequences which the conventional arms race would have for Poland. We are also aware of what such an arms race would mean for the whole of Europe and the world. That is why we hold the opinion that Poland's security interests are in this issue convergent or identical with the interests of the security of Europe and the foundations of the CSCE process.

"We treat the plan's open character as our important intellectual achievement, corresponding to the spirt of the CSCE process, to its democratic principles. It does not propose a separate negotiation forum. In the appropriate time Poland's plan will be tabled at the future conference on confidence building measures and conventional disarmament in Europe, which will be convened by the Vienna CSCE meeting. The plan's elements will support the course of these negotiations.".

Nowak stressed that what currently matters are wide and comprehensive bi-lateral consultations with the memorandum's recipients. "Poland declares its readiness to take the views of others into consideration before putting the plan before the all-European disarmament forum," he said.

SOCIALIST NATIONS SEEK 'MILITARY POTENTIALS' CUT

LD290348 Prague CTK in English 1455 GMT 28 Jul 87

[Text] Vienna July 28 (CTK correspondent) -- Lieut. General Jiri Brychta, first deputy chief of staff of the Czechoslovak People's Army, stressed at the CSCE follow-up meeting today that the socialist countries want military potentials in Europe reduced.

In a speech on Czechoslovakia's stand on security in Europe, General Brychta said his country attached great significance to the consultations of Warsaw Treaty and NATO officials on future disarmament talks. It is the socialist countries' objective to lower military potentials in Europe on mutual basis so that the security of neither side is threatened.

He welcomed the NATO proposal to hold talks on disarmament in the whole of Europe, but pointed to the need to discuss also tactical nuclear weapons limitation. The stockpiles of these weapons are several times as big as needed and refusal to discuss their limitation must be regarded as effort to retain this element of offensive potential. Intentions of the NATO states to exclude from disarmament talks tactical nuclear weapons and several other types of arms in an attempt to breach the principle of equal security, General Brychta said.

General Brychta devoted great attention to the experience Czechoslovakia gained from the participation of foreign observers in military exercises as stipulated in the Stockholm agreement on confidence-building measures.

The Stockholm agreement is an important contribution to the building of confidence and security and can fulfil the tasks expected from it, Jiri Brychta stressed.

He recalled the Warsaw Treaty foreign ministers' proposal for gradual limitation of military activity of the Warsaw Treaty and NATO and for further confidence- and security-building measures to be taken. Deliberations will not be easy, General Brychta said, but voiced conviction that they could be successful.

ZHIVKOV READS INTRODUCTION AT BCP CC PLENUM

AU281656 Sofia BTA in English 1638 GMT 28 Jul 87

[Text] Sofia, July 28 (BTA) -- A plenum of the Central Committee of the Bulgarian Communist Party was opened today. The agenda includes a discussion of the general principles of the concept on the further construction of socialism in the People's Republic of Bulgaria.

Mr. Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, read an introductory speech on the document. The chairman of the Central Control and Auditing Commission of the BCP and the secretary of the Bulgarian Agrarian Party are taking part in the plenum together with the full and alternate members of the Central Committee.

The meeting continues tomorrow.

LEADERS' PUBLIC APPEARANCES 19-24 JULY

AU251507 [Editorial Report] Sofia Domestic Service in Bulgarian in its newscasts, the Sofia press, and the Bulgarian Telegraph Agency [BTA] during the period from 19 to 24 July report the following public appearances of Bulgarian leaders (sourceline of each report given in parentheses):

A reception given by the Polish Embassy in Sofia in 22 July, was attended by Milko Balev, member of the BCP Central Committee Politburo and Central Committee secretary; Petur Tanchev, secretary of the Bulgarian Agrarian National Union; Dimitur Stanishev, secretary of the BCP Central Committee; and Kiril Zarev, deputy chairman of the Council of Ministers. (Sofia Domestic Service in Bulgarian 1900 GMT 22 July)

Petur Mladenov, member of the BCP Central Committee Politburo and minister of foreign affairs, on 19 July in Varna bade farewell to FRG Foreign Minister Genscher. (Sofia BTA in English 1625 GMT 19 July) On 24 July in Sofia Mladenov received a Congolese parliamentary delegation, headed by Jean Ganga Zandzou, member of the Party du Travail Congolais and president of the National People's Assembly. (Sofia BTA in English 1730 GMT 24 July)

Chudomir Aleksandrov, member of the BCP Central Committee Politburo and Central Committee secretary, received on 24 July in Sofia Jean Spielman, secretary general of the Swiss Workers' Party, who is on holiday in Bulgaria. (Sofia BTA in English 1146 GMT 24 July)

Stanko Todorov, member of the BCP Central Committee Politburo and chairman of the National Assembly, received on 24 July in Sofia the visiting Congolese parliamentary delegation, headed by Jean Ganga-Zandzou, member of the Politburo of the Party du Travail Congolais and president of the National People's Assembly. (Sofia BTA in English 1254 GMT 24 July) On 24 July in Sofia he received the visiting Mexican parliamentary delegation, headed by Sergio Vals. (Sofia BTA in English 1650 GMT 24 July)

Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, received on 24 July in Sofia the Congolese parliamentary delegation, headed by Jean Ganga-Zandzou. (Sofia BTA in English 1730 GMT 24 July)

Georgi Yordanov, member of the BCP Central Committee Politburo, deputy chairman of the Council of Ministers, and chairman of the Council for Intellectual Development, attended on 24 July in Varna an art exhibition and a ceremony of award presentations by the Lyudmila Zhivkova Foundation. (Sofia Domestic Service in Bulgarian 1930 GMT 24 July]

NEW ZHIVKOV BOOK ON SOCIALIST DEVELOPMENT PUBLISHED

AU271122 Sofia BTA in English 0709 GMT 27 Jul 87

["Contribution to the Theory and Practice of Socialism" -- BTA headline]

[Text] Sofia, July 27 (BTA).-- Partizdat Publishing House has published a new book containing works by Mr Todor Zhivkov after the 13th congress of the Bulgarian Communist Party. The book is titled: "For Qualitatively New Development, For a Radical Turn in All Fields". RABOTNICHESKO DELO writes the following: "The collection covers a period of about a year. This was an especially dynamic period of change, a period remarkable for its abundance of ideas and changes, which are revolutionary in their nature. The book includes the theoretical wealth of the Bulgarian Communist Party, its practical approaches and strategic policy of qualitative development. In this sense the elaborations of the Bulgarian party and state leader are not merely of historical significance. They are a program of action for current and future work."

The article examines the problems which are treated in the book: The acceleration of the rates of development and the qualitaively new approach to the implementation of the techno-scientific revolution, self management of the economic organizations, the changes in the political superstructure, the new economic approach and the further development of the cooperative movement. "Everything should be done with the participation of the people and for the people. People should be directly involved in management at all levels both trough formal democracy and through direct participation," writes RABOTNICHESKO DELO.

The Bulgarian party and state leader tells that the changes in the development of the Bulgarian society cannot be viewed in isolation from the processes under way in the fraternal socialist states. The paper points to those aspects of Bulgaria's policy which link the radical changes inside the country with the peace-loving policy of the socialist states in the international arena. In his speeches the Bulgarian leader gives firm support to the Soviet peace program and the idea of the need for new political thinking in the sphere of international relations.

Mr Todor Zhivkov's new book and the Bulgarian Communist Party's practical work in the year after the 13th congress of the BCP is a guarantee that the policy of restructuring will be developed further and will enter fully into the life of the party and the people, writes RABOTNICHESKO DELO.

BRIEFS

MARKOV SIGNS LOVECH PROTOCOL -- On 16 July in Lovech Stoyan Markov, candidate member of the BCP Central Committee Politburo, first deputy chairman of the Council of Ministers, and chairman of the State Committee on Research and Technologies, and Lazar Donchev, first secretary of the BCP Lovech Okrug Committee, signed a protocol on cooperation in the technological renewal and progressive restructuring of Lovech Okrug's economy during the period of the Ninth 5-Year Plan. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 17 Jul 87 p 2 AU]

LEADERS CONGRATULATE CASTRO ON NATIONAL DAY

AU280905 Bratislava PRAVDA in Slovak 27 Jul 87 p 1

["Czechoslovak Representatives' Telegram on the National Day of the Republic of Cuba; Cordial Comradely Greetings and Congratulations"]

[Text] Prague -- Gustav Husak, CPCZ Central Committee general secretary and CSSR president, and CSSR Premier Lubomir Strougal have sent the following congratulatory telegram to Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC] Central Committee and chairman of the State Council and of the Council of Ministers of the Republic of Cuba, on the 34th anniversary of the Day of National Uprising:

Dear Comrade Castro,

On behalf of the CPCZ Central Committee, of the Government and the people of the CSSR, and on our own behalf, we are sending you, the PCC Central Committee, the State Council, the Council of Ministers of the Republic of Cuba and all fraternal Cuban people cordial comradely greetings and congratulations on your country's national day -- the 34th anniversary of the Day of the National Uprising.

The attack by patriots on the Moncada military barracks has become the watershed in the history of your fatherland, an important stimulus for the further development of the anti-imperialist struggle and of the construction efforts of the Cuban people.

We in the CSSR highly value the progress that is being achieved by the Cuban people under the leadership of the Communist Party in the construction of socialism, in strengthening the effectiveness and the dynamism of development in all spheres of the country's life. The results of the construction of a new, socially just society in Cuba are an encouragement for the toiling masses of the American continent in the struggle for a genuine liberation from imperialist oppression and exploitation.

By its peaceful, active, and principled foreign policy, the Republic of Cuba has been significantly contributing to the consolidation of the unity and mutual cooperation of the socialist countries, to the common struggle of progressive and peace-loving forces against imperialism, for peace, freedom, and an independent development of nations. We appreciate, in particular, the extensive activity of the Republic of Cuba in the Nonaligned Movement and in the UN, which is oriented toward a consistent implementation of the noble principles and objectives of its activity.

We note with satisfaction that our fraternal parties, governments, and the people of our two countries are united by firm bonds of traditional friendship, solidarity, and fruitful cooperation, resting on the foundations of Marxism-Leninism and socialist internationalism. We are convinced that these relations will continue to successfully develop and deepen for the benefit of the peoples of Czechoslovakia and Cuba.

Dear Comrade Castro, we wish you and all Cuban people from the bottom of our hearts many further successes in your work for the prosperity of the Republic of Cuba.

CPCZ DELEGATION RETURNS FROM BRAZIL 23 JULY

AU271550 Prague RUDE PRAVO in Czech 24 Jul 87 p 1

["(z)"-signed report: "Return From Brazil"]

[Text] Prague (z) -- The CPCZ Central Committee delegation which was led by Zbynek Sojak, CPCZ Central Committee member and head of a Central Committee department, returned on Thursday [23 July] from the Eighth Congress of the Brazilian Communist Party (PCB). At the Ruzyne airport the delegation was welcomed by Josef Mueller, deputy head of a CPCZ Central Committee department.

COMMUNIQUE ON TALKS WITH AUSTRIAN TU'S

AU271201 Prague PRACE in Czech 24 Jul 87 p 4

["Communique on Meeting of OEGB and URO Representatives; Interest in the Further Development of Relations"]

[Text] A meeting of representatives of the Austrian Trade Union Federation [OEGB] and the Central Trade Union Council [URO] was held in Vienna on 20-22 July. The meeting was attended from the URO's side by URO Secretaries Miroslav Spaniel and Viliam Kozik; and by Emil Grochol, head of the URO's International Department. From the OEGB side the meeting was attended by OEGB Chairman Anton Benya; Deputy Chairman Rudolf Poeder; Leading Secretary Alfred Stroeer; Secretary for Lower Austria Karl Drochter; head of the National Economy Section Herbert Trumpel; Federal Secretary of the Leftist Bloc Oswald Broz; and International Department Secretary Karl Matal.

This meeting, which has already become the traditional form of cooperation between the two trade union centers, originates in the Agreement on Cooperation Between the URO and the OEGB for the 1987-88 Period.

The URO and OEGB representatives informed one another about the situation and the topical tasks of their organizations. V. Kozik and M. Spaniel acquainted the Austrian representatives with the realization of the conclusions of the 11th All-Trade Union Congress, the ongoing process of the restructuring of the Czechoslovak national economy and the share of the revolutionary trade union movement in it. The highest OEGB representatives supplied information about the preparations for the 11th Federal OEGB Congress, which will be held this October. During the talks, the two trade union organizations stressed their interest in the further expansion of mutual relations, which contribute to learning more about the work and life of the working people of the two countries, and agreed on joint actions for the coming period.

The representatives of the two organizations expressed the conviction that the need for cooperation between trade unions in the West and East is growing in the current international situation, and favored the development of a European trade union dialogue.

The two sides agreed that the most important issue of the present is the preservation of peace in the world, and expressed support for all disarmament proposals, especially for the proposal to establish a nuclear-free zone in central Europe. At the same time they voiced the opinion that the removal of all nuclear weapons, and a considerable reduction of armed forces and conventional weapons must be the final objective.

FIRST HALF '87 PLAN FULFILLMENT REPORTED

AU270600 Bratislava PRAVDA in Slovak 21 Jul 87 pp 3, 4

["Report of the Federal Statistical Office on the Development of the CSSR National Economy and the Fulfillment of the State Plan in the First Half-Year of 1987"]

[Text] In the development of the national economy, the favorable fulfillment of tasks regarding the volume of production continued during the first half of 1987. However, the planned targets in the growth of intensification and increasing effectiveness were not fulfilled. This affected the national income, which grew, according to estimates, by less than 2 percent. The development of the economy -- especially in the first quarter -- was affected by unfavorable climatic conditions. For this reason the consumption of fuels and energy was higher. The plan of consumption was exceeded by approximately 1.7 million metric tons of standard fuel, of which 0.6 million metric tons was in the production sphere, and 1.1 million metric tons in the nonproduction sphere. The fuel and energy supply of the national economy was uninterrupted.

Compared with the first half of 1986, the volume of gross industrial production grew by 2.7 percent; the state plan envisages a 1.9 percent annual growth. However, the planned branch [odvetvoa] structure of production was not fully achieved, a matter that appeared unfavorably in the structure of the sales of industrial production, in the standard of supplier-consumer relations, and in the large growth of inventories.

The construction sector did not fully cope with the planned tasks, and the shortfalls, which have come into being since the beginning of the year, have only been partly eliminated. The volume of construction work increased 0.4 percent compared to the first half of 1986, whereas the state plan envisages a 2.6 percent increase. The nonfulfillment of the planned tasks by construction enterprises appeared most markedly, in particular, in the comprehensive housing construction.

One-third of industrial and one-half of construction enterprises did not achieve the planned standard of qualitative indicators of economic development.

The fulfillment of tasks was accompanied by higher than planned comsumption of fuels, energy, materials, and wages. This manifested itself in the planned level of material costs being exceeded and in higher demands on wages. The planned profits and the growth of adjusted net output were not achieved. The relation between the development of labor productivity, and the average wages of employees in industry and construction did not correspond to the plan targets.

The application of scientific-technical development in the economy is still slow and its results did not show in reduced costs, better quality and technical standard of production and products, or in faster innovation cycles.

The development of agricultural production corresponded on the whole to the planned targets, despite the fact that the unfavorable weather delayed vegetation. The plan of procurement of the most important animal products was fulfilled.

The volume of goods carried by the freight transportation sector was smaller than in the first half of 1986. The plan of carrying services was not fulfilled. The number of passengers carried by public transportation increased.

The density of the telephone network and the proportion of the directly dialed calls increased, and the territory covered by television signals was further expanded.

The national economy received investments totalling Kcs65 billion, which is 3.3 percent more than in the first half of 1986. In the capital construction sector there continues to be a great number of unfinished projects, some capacities are not being put in operation within the planned deadlines and do not reach the planned parameters.

Compared with the first half of 1986, the turnover of foreign trade grew by 3.7 percent, of which 3.9 percent was with the socialist countries. [as published] The planned tasks vis-a-vis these countries were exceeded. The problems regarding ensuring exports to the nonsocialist states continued and the effectiveness of exports did not markedly improve.

Compared with the first half of 1986, the real monetary income of the population increased in accordance with the plan targets by 2.3 percent, the population's savings in state savings banks increased by Kcs16.8 billion, that is, by 7.4 percent. The retail trade turnover increased by 2.2 percent. The supply with foodstuffs, despite certain shortcomings as regards choice, was uninterrupted on the whole, but the demand for certain types of industrial goods was not fully satisfied. The volume of resources expended on the population's social consumption increased further.

The broad development of initiative, which must be preferentially oriented toward reducing costs, growth of labor productivity, broad application of scientific-technical development, increasing innovative activity, and improving the quality of production, actively contributed to the fulfillment of tasks and overcoming of problems in the first half of this year.

Scientific-Technical Development [subhead]

The Czechoslovak research and development organizations and production enterprises are -- within the framework of the implementation of the Comprehensive Program of Scientific-Technical Progress of the CEMA Member States Through the Year 2000 -- taking part in the solution of 90 main tasks. The fulfillment of these tasks is linked with the direct relations between the production enterprises and research institutes of the CEMA member countries.

A total of 369 research and development tasks were being resolved within the framework of the state plan of technical development in the first half of this year. A total of 344 of them, or 93.5 percent, were fulfilled in harmony with the timetable. For example, tasks successfully concluded were the development of an ultrasound dynamic echotomograph for diagnostic purposes in the health sphere, contactless distributors for the 24-660 volt tension utilizing microelectronic and optoelectronic components and an integrated measuring system, which will be used in work machinery [pracovne stroje] and power engineering, and the development of weaving technology and a new generation of weaving machines.

However, such tasks as the research and development regarding the accessories for road vehicles, the research of medicines on the basis of medicinal herbs and natural substances, the development of audiovisual means of consumer electronics and the control system for intelligent robots and robotized worksites are not being fulfilled.

The planned volume of production from 889 material applied outputs [hmotne realizacne vystupy] of the state plan for technical development totalling Kcs35.6 billion was fulfilled by 45.1 percent (Kcs16.1 billion), which is 0.6 percent more than in the same period last year. From the total number of 1,052 applied outputs of the state plan of technical development, 34.7 percent are oriented toward the introduction of new machinery, instruments, and equipment; 38.5 percent toward the utilization of new technologies; 11.3 percent toward the production of new materials and chemicals and the utilization of new raw materials; and 15.5 percent are of nonmaterial nature. For example, on the basis of the resolved tasks the production has begun of a type model of a reverse permeable (typovy spatnepropustny) thyristor, of adapted [upraveny] two-stroke engines ensuring lower emissions and fuel consumption, of special sliding valves [posuvace] for the VVER-1000 nuclear power plants and of memory chips by means of innovated technology for general utilization in digital instruments, of seven new types of diagnostic sets [supravy] to determine biologically active substances, of standardized area [plosne] radiators and grain-drying plants with reduced energy consumption.

Lagging behind is the introduction into production of a graphic vector display, of predrying plants for sawn lumber with recuperation equipment of lines [s rekuperacnym zariadenim linek] for handling, measuring, and cutting of round wood up to 40 mm diameter, and of garlanded [girlandove] belt conveyors.

The volume of production of new products constituted Kcs57.2 billion and, compared with the same period last year, it was lower by Kcs1.2 billion. The quality and the technical standard of products were developing unsatisfactorily -- the proportion of new products having high technical-economic standards in the overall volume of new products dropped from 33.2 percent in the first half of 1986 to 30.9 percent in the same period of this year, and -- compared with the same period last year -- also the proportion of all products having a high technical-economic standard was a bit lower in the total manufacture of industrial products.

In concrete selected actions, relative savings of 1.4 million metric tons of standard fuel were achieved within the framework of the state goal-oriented program for the rationalization of the fuels and energy consumption. Measures adopted within the framework of the state goal-oriented program for the rationalization of the consumption of metals saved 243,000 metric tons of ferrous metals, and 6,800 metric tons of nonferrous metals. Despite the results achieved in reducing the energy- and material-intensiveness when it comes to creating material resources, our national economy still has great unused resources in this sphere.

Equipping the production base with new robots and automation equipment also contributed to enhancing the technical standard of the production sector. Their deployment in production will contribute to improving the quality of production and to the possibility to reduce manpower.

The number of submitted applications for inventions and of improvers' proposals remained more or less on the level of the same period of 1986; more than 4,000 inventions and more than 190,000 improvers' proposals were submitted. However, in a number of cases their application in practice is lagging.

Despite the effort devoted to the development of science and technology, scientific-technical development has not yet become the determining factor of the national economy's intensification. The degree of the concentration of potential and resources on decisive tasks, the speed of their being resolved and introduced into production, the pace of innovations and the growth of the quality and technical-economic standard of our products to this day does not correspond to the needs of the national economy or its true potential.

Industry [subhead]

Industrial production in centrally planned industry in the first half-year, compared with the same period last year, grew by 2.7 percent; the annual state plan called for a 1.9 percent growth. In the first half year, 50.1 percent of the annual state plan were fulfilled. The economic plans of gross production were fulfilled by 100.8 percent, and the plans of goods production by 100.6 percent.

The consequences of the production shortfalls in the first months of the year were being gradually made up for in the course of the first half-year. Production imbalance increased, particularly in the first quarter, and also some problems in the supplier-consumer relations deepened. The number of enterprises, which did not fulfill the economic plan of gross production in the first half-year (31.7 percent), increased; in the same period last year it was 21.4 percent of enterprises. The nonfulfilling enterprises' plan shortfall represented Kcs3.3 billion.

The targets of the annual state plan in the sphere of qualitative indicators were not fully fulfilled in the first half-year.

The volume of the adjusted net output in the centrally planned industry, compared with the first half of 1986, increased by 3.3 percent; the annual state plan envisages a 5.4 percent increase. The economic plans of enterprises were fulfilled by 99.6 percent the first half-year, the shortfall in the plan's fulfillment constituted Kcs0.6 billion. From the total number of enterprises 31.2 percent did not fulfill the plan of adjusted net output. The fulfillment of the plan of adjusted net output was being affected, in particular, by the nonfulfillment of tasks as regards the reduction of material costs.

The proportion of costs in the volume of the output of industrial department [rezorty] remained more or less at the level of the first half of 1986; the annual state plan envisages its drop in relative terms by 1.1 percent. The proportion of material costs in the volume of output dropped in relative terms by 0.6 percent, but the annual plan determines a 1.3 percent reduction. The total profits, compared with the same period last year, increased by 5 percent in the first half-year. The annual plan determines a 8.2 percent increase in profits. Regarding the less than favorable development of profits and costs, the plan's targets concerning the growth of profitability were not achieved.

The labor productivity in centrally planned industry, calculated from the adjusted net output, increased in the first half-year, compared with the same period last year, by 3.1 percent, and calculated from the gross production by 2.6 percent (the plan: 1.2 percent).

Trends toward a reduced utilization of capital assets continued in centrally planned industry in the first half-year. The utilization of production assets decreased further, the time of inventories' turnover increased by 2.1 days; the annual plan counts with shortening it by 2.4 days. Stocks in industrial sectors grew by Kcs13.2 billion in 5 months. The most marked increase of stocks was registered in organizations managed by the Ministries of Engineering (total Kcs9.8 billion).

Employment in centrally planned industry increased by 0.1 percent (the plan: 0.7 percent) and affected 2,702 persons. The average monthly wages of employees in centrally planned industry reached Kcs3.156 and, compared with the first half of 1986, rose by Kcs65, that is, by 2.1 percent (the plan: 0.6 percent). Many enterprises did not observe the planned ratio between wages and the adjusted net output.

The total value of sales in centrally planned industry, compared with the first half of 1986, increased in wholesale prices by 2.8 percent. The volume of machinery and equipment deliveries for investment projects increased by 10.2 percent. The total volume of export deliveries rose by 1.6 percent, including a 4.3 percent increase in exports to the socialist countries, whereas the deliveries to the nonsocialist countries dropped by 2.7 percent. Deliveries to the domestic market increased by 2.7 percent. The remaining sales rose by 2.7 percent.

The structure of deliveries in the main economic directions of sales was not always developing in accordance with the plan. The biggest delays in the fulfillment of the annual plan were in export deliveries to the nonsocialist countries, particularly on the part of general engineering and the wood-processing industry. Neither the volume nor the structure of some industrial products' deliveries corresponded to the needs of the domestic market. This, in particular, applies to products of general and electrical engineering, and of the garment and footwear industries.

Production in individual industrial branches was developing in a differentiated way in the first half-year. The structural and innovative changes did not proceed at the planned pace.

More markedly, production increased in the first half-year in the electrical engineering industry, the medical supplies' sector, in the generation of heat and electricity, the chemical industry, and crude oil processing, whereas leather-processing and footwear industries production decreased.

The following results were achieved in the first half-year in the individual industrial branches' production:

Production in the engineering and electrical engineering industries increased by 3.7 percent; the annual state plan envisages a 3.9 percent increase.

Heavy engineering production increased by 0.7 percent; the annual plan stipulates a 1.7 percent growth. Deliveries of the heavy engineering enterprises for capital construction increased by 4.8 percent; deliveries of equipment for nuclear power plants in particular were higher.

General engineering production increased by 3.5 percent; the annual plan envisages a 3.6 percent growth. A faster growth in production was registered in textile engineering (6.9 percent). Production of household consumer goods increased by 3.6 percent. Contrary to this, a drop was registered in the production of buses (1.9 percent), as well as refrigerators and deep-freezers (1.5 percent).

Production in the electrical engineering industry increased by 8.6 percent; the annual state plan envisages a 7.4 percent growth. The fastest development was registered in the production of the component base for electronics and consumer electronics (15.8 percent), and automated and computer technology (13.7 percent). Despite that, needs were not satisfied.

In the metallurgical industry, including the extraction of ores, the value of gross production increased by 1.3 percent, that is, by 0.7 percent more than envisaged by the annual state plan. In the extraction and processing of ores, production increased by 1.2 percent, in ferrous metallurgy by 1.2 percent, and in nonferrous metallurgy by 1.8 percent. Whereas production of raw iron stagnated, steel production increased by 1.2 percent and that of rolled material by 0.7 percent. The modernization of the production-technical base continued.

A total of 63.2 million metric tons of coal and lignite were extracted by the fuels industry. The achieved results constitute 51.7 percent of the annual state plan. Compared with the first half-year of 1986, total extraction of coal and lignite decreased by 2.0 percent. The supply of solid fuels to the population and the national economy was on the whole smooth. Despite the fact that deliveries to the coal depots [vholne sklady] were exceeded by 697,000 metric tons, there were shortcomings in deliveries of graded coal and briquettes, and sales of these to the population had to be regulated.

Electricity generation reached 43.543 million kwh and was 3.6 percent higher than in the first half-year of 1986. Generation of electricity in nuclear power plants increased by 21.7 percent and in hydroelectric power plants by 17.4 percent, whereas in thermal power plants it decreased by 2.8 percent. The share of nuclear power plants in total electricity generation reached 23.1 percent.

Consumption of electricity in the first half-year, compared with the same period last year, increased by 1,836 million kwh, that is, by 4.4 percent; the annual state plan envisages a 3.5 percent increase. Socialist small-scale consumers and the population used 3.5 percent more electricity, large-scale consumers used 3.1 percent more electric power.

Chemical industry production rose by 4.7 percent, the annual state plan envisages 1.5-percent growth. Production in the chemical industry and in crude oil processing increased by 4.9 percent, and in the rubber and plastics industries by 3 percent. Production in some branches of small-volume chemicals, organic products, and plastic materials was developing faster.

Production of medical supplies increased by 6.3 percent. Larger production increases were achieved in the production of pharmaceutical, veterinary, and immunological preparations.

Production in the wood-processing industry [priemysl spracovania dreva] increased by 1.6 percent; the annual state plan envisages a 2.8 percent growth. Wood-processing production [drevospracujuci priemysl] increased by 1.7 percent and in the cellulose and paper industry by 1.5 percent. The development, especially of wood primary production [drevarska prvovyroba], was unfavorably affected by the climatic conditions in the first quarter.

Light industry production, compared with the first half-year of 1986, increased by 0.7 percent; the annual state plan envisages a 1.7-percent growth. Production in the glass, porcelain, and ceramic industries increased by 3.4 percent, in the printing industry by 3.2 percent, in the garment industry by 1.1 percent, and in the textile industry by 0.8 percent; whereas production in the leather and footwear industries dropped by 2.2 percent, among other reasons also because of the fact that the number of persons employed in these industries decreased by 1.8 percent.

The Development of Basic Indicators in Selected Branches (Planning Groups) of Centrally Planned Industry in the First Half-Year 1987

Column 1) Adjusted net output, index (a)
Column 2) Adjusted net output, percentage of plan fulfillment (b)
Column 3) Gross production, index (a)
Column 4) Gross production, percentage of plan fulfillment (b)
Column 5) Number of employees, index (a)
Column 6) Labor productivity of employees (c), index (a)

	(1)	(2)	(3)	(4)	(5)	(6)
Centrally planned industry (including industry run by regional national committees)	103.3	99.6	102.7	100.8	100.1	103.1
of this:						
Generation of heat and electricity	105.9	105.0	105.1	102.4	101.3	104.5
Metallurgy including ores extraction	103.1	101.5	101.3	101.2	99.7	103.4
of this:						
Ferrous metallurgy	103.1	101.6	101.2	101.3	99.3	103.8
Engineering, total including:	103.9	99.2	103.7	100.4	100.5	103.4
Heavy	101.4	100.4	100.7	100.1	100.4	101.0
General	103.2	97.3	103.5	100.4	100.3	102.9
Electrical engineering industry	109.1	101.7	108.6	100.5	101.0	108.0
Chemical industry, total	107.3	98.6	104.7	100.9	100.2	107.1
of this:						
Chemicals and crude oil processing	106.8	98.9	104.9	100.9	100.3	706.6
Rubber and plastics industry	109.8	97.4	103.0	100.4	99.9	110.0
Wood-processing industry	100.2	93.8	101.6	98.7	99.7	100.5
of this:						
Wood-processing	100.7	93.2	101.7	99.0	99.6	101.1
Cellulose and paper	99.4	94.6	101.5	98.2	99.8	99.5
Light industry	100.7	97.1	100.7	99.6	99.0	101.7
of this:						
Glass, porcelain and ceramics	104.1	98.9	103.4	99.8	99.5	104.6
Textile	99.9	96.2	100.8	99.6	98.8	101.1
Garment	105.1	100.7	101.1	99.8	99.7	105.4
Leather and footwear	96.7	95.0	97.8	99.3	98.2	98.4
Construction materials' industry	99.1	95.5	101.0	100.1	99.9	99.2

a) first half-year 1987 in percentage points of the same period 1986
b) of economic plans
c) from adjusted net output

Agricultural Food Complex [subhead]

The development of agricultural production generally corresponded with the plan's targets, although crop maturation was belated owing to unfavorable weather.

Compared with previous years the plowed under land area is about one-fourth smaller in size. The long-lasting rains and cold weather affected the harvest of the first mowing of perennial fodder from arable land and meadows. In some regions, the heavy waterlogging of soil resulted in damage to crops of sugar beet, corn for silage, and cereals. The damaged crops were resown.

In animal production, the utility indicators were slightly lower than in the first half of 1986, with the exception of cows' average milk yield. The reduced utility value also was affected by the lower quality of fodder mixtures, as well as by the unfavorable climatic conditions. The average daily milk-yield increased to 10.2 liters (last year 10.1 liters). Milk production -- despite the smaller number of cows -- increased by 0.2 percent compared with the first half of 1986. The egg production was, more or less, on the last year's level. The average egg-yield dropped from 124.4 to 121.9 pieces.

Similarly as in the first half of 1986, the number of cows and beef cattle decreased in the socialist agricultural sector, whereas the number of pigs increased.

The Number of Farm Animals in the Socialist Sector of the National Economy on 30 June (in thousands)

	1986	1987
Beef cattle (total)	4,990	4,944
of this:		
Cows	1,779	1,759
Pigs (total)	6,088	6,336
of this:		
Sows	451	464
Poultry (total)	40,697	40,546
of this:		
Chicken	12,583	13,372

The procurement timetable of all animal products in all months of the first half-year was fulfilled smoothly, with the exception of pigs for slaughter, which was underfulfilled by 5,900 metric tons. One particular reason for this was the shortage of qualitatively higher categories of pigs fattened at the beginning of the year.

Procurement of Animal Products

	Unit of measure	First half-year 1987	Percent of timetable fulfillment
Animals for slaughter total, poultry excluded	1,000's metric tons of live weight	797	103.0
of this:			
cattle for slaughter	as above	380	108.2
pigs for slaughter	as above	403	98.6
poultry for slaughter	as above	119	103.4
milk	millions of liters	2.982	100.4
eggs	millions of pieces	1.45	102.7

The wages in state farms, compared with the first half-year 1986, increased by 2 percent to Kcs3,030, the comparable remuneration of employees in the unified cooperative farms increased by 1.5 percent to Kcs3,180.

The volume of the food industry's gross production, compared with the first half-year 1986, increased by 1.7 percent; the annual state plan envisages a 1.4 percent increase. [paragraph continues]

The adjusted net output increased by 3.3 percent. The volume of the food industry's deliveries to the domestic market increased -- in retail prices -- by 1.7 percent.

Forest Economy [subhead]

The total yield [tazba] of timber in the first half-year amounted to 9.7 million cubic meters, that is, 52.7 percent of the annual state plan. Of this quantity, 4 million cubic meters were windfall timber. Total timber deliveries amounted to 9.1 million cubic meters, that is, 50 percent of the annual planned quantity. A total of 41,000 hectares were afforested, which is 81.1 percent of the annual plan.

Water Economy [subhead]

A total of 650 million cubic meters of water were delivered to direct consumers in the first half-year, that is, 49.9 percent of the planned annual task. The proportion of the population supplied with water from public mains rose from 76.6 percent in the first half of 1986 to the present 77.5 percent. There were local problems regarding water supply. The proportion of the populace living in homes connected to public sewerage increased from 62.8 percent to 63.3 percent.

Construction Sector [subhead]

Using their own employees, construction enterprises carried out building work worth Kcs46.6 billion. The fulfillment of construction tasks was unfavorably affected by the climatic conditions prevailing in the initial months of the year. The shortfalls from the winter period could be only partially made up by the middle of the year. Compared with the first half-year 1986, the volume of work carried out with employees in construction enterprises, was 0.4 percent larger; the 1987 state plan envisages a 2.6 percent growth of the construction work volume.

The achieved results were influenced to a considerable degree by the imbalance in the fulfillment of tasks by individual enterprises -- out of the total number of construction enterprises, 58.8 percent did not fill the planned volume of construction work. Nonfulfillment by the Czech Construction Ministry's enterprises was particularly marked (amounting to Kcs343.4 million or 1.7 percent), as was nonfulfillment by the Slovak Construction Ministry's enterprises (amounting to Kcs258.8 million, or 2.1 percent).

Nonfulfillment of the planned volumes of construction work affected, in particular, the comprehensive housing construction. On projects designated as obligatory tasks of the state plan, the volumes of planned work were exceeded. The planned volume of repair work was also exceeded.

The volume of adjusted net output constituted Kcs19.6 billion; compared with the same period last year it was 0.9 percent lower.

Compared with the first half-year 1986, the labor productivity of employees in the construction sector in terms of basic construction production was 0.6 percent lower (the state plan determines a 1.2-percent growth for this year), labor productivity from the adjusted net output was 1.9 percent lower.

Set objectives were not achieved in the development of the indicators of the construction enterprises' financial management -- in output, the proportion of cash outlays and of the costs of materials was higher than the plan envisaged. Compared with the first half-year 1986, the use of long term assets, was 5 percent lower. Inventories increased. In organizations managed by the Czech and Slovak Construction Ministries they increased by Kcs2.1 billion in 5 months.

In the first half-year, construction enterprises employed an average of 568,000 persons; compared with the same period last year, that is 5,500 (or 1 percent) more. The average wages of employees of construction enterprises reached Kcs3,189, which compared with the same period of the previous year, is 1.7 percent more.

Compared with the first half-year 1986, production in the construction materials industry, increased by 1 percent; the annual state plan envisages a moderate decrease here. Production of basic construction products was reduced, in particular of cement and lime, whereas production of fired brick materials, roof tiles, and ceramic and wall tiles moderately increased.

Transportation [subhead]

The volume of freight carried by the freight transportation sector in the first half-year 1987 was smaller than last year. Planned tasks in railroad, road, and river freight transportation were not fulfilled.

In the first half of 1987 public freight transportation carried 304.1 million metric tons of goods, which is 4.1 percent more than in the same period last year. The plan was 95.9 percent fulfilled.

The railroad carried 139.9 million metric tons of goods, which is 4.3 percent less compared with the first half-year of 1986. Railroad loading reached 119.2 million metric tons, and the plan for this was 96.9 percent fulfilled. The imbalance as regards loading by carriers continued. The loading plan for the most important substrates was not fulfilled especially in regard to mineral industrial raw materials and construction materials. Compared with the first half-year 1986 the average turnaround time of a railroad car unit in days, was 6.5 percent longer and was 4.24 days. Compared with the plan it was 6.8 percent longer. Strain is arising between the demands for transportation and their fulfillment.

The CSAD [Czechoslovak Automobile Transportation] carried 158.4 million metric tons of goods in the first half-year, that is, 3.9 percent less than in the same period last year. As a consequence of a shortage of spare parts, the number of freight-carrying vehicles in need of repair continued to be large.

River transportation carried 5.8 million metric tons of goods which, compared with the first half-year of 1986, is 6.5 percent less. Coal transportation constituted 20.8 percent of the volume.

Public passenger transportation carried 1,413.8 million people and, compared with the first half-year 1986, the total number of passengers increased by 1.1 percent, that is, by 14.7 million persons. CSAD carried 1,203.9 million persons, and the railroad 209.4 million persons. Air transportation carried 500,000 passengers, of which 100,000 were on domestic routes.

The Prague subway carried 215.5 million persons, that is, 2.9 percent more than in the first half-year of 1986. It carried an average of 1.2 million passengers daily.

Communications [subhead]

A total of 3,778,000 telephone terminals were in operation by the end of the first half-year. Compared with the end of 1986, their number increased by 71,000. There were 24.3 telephone terminals per 100 people. The number of direct-dialled calls increased.

The television signal coverage of Czechoslovak territory was expanded and improved. A transmitter for the first channel was put in operation in Frydek-Mistek and the Brno transmitter was overhauled. Transmitters for the second channel were put into operation in Ruzomberok, Votice, and Sykor. Transmission of Soviet television's central program also started to be relayed by the Ostrava-Hostalkovice, the Ceske Budejovice-Klet, and Plzen-City transmitters.

Foreign Trade [subhead]

The foreign trade turnover increased by 3.7 percent -- with the socialist countries by 3.9 percent, and with the nonsocialist states by 2.8 percent. Exports to the socialist countries grew faster than the plan envisaged, imports from that region were more or less in accordance with the plan. Trade with the Soviet Union also developed in harmony with planned intentions. The plan for exports to nonsocialist states was not fulfilled, whereas the dynamism of imports was greater than planned.

The annual plan for exports was 48.3 percent fulfilled, that for exports to the nonsocialist states, 46.1 percent. The annual plan for imports was 45.5 percent fulfilled -- that for imports from the nonsocialist states, 42.7 percent. The profitability of foreign trade did not improve to the necessary extent.

Development of Foreign Trade (1)

	index (2)		index (2)
Export total	104.7	Imports total	102.7
including:		including:	
to the socialist countries	106.6	from the socialist countries	101.3
to the nonsocialist states	97.7	from the nonsocialist states	109.1

(1) All charges paid to the border of the delivering state

(2) First half of 1987 as percentage of the same period last year

Foreign trade with the CEMA member states, increased by 4.5 percent compared with the same period last year, of which trade with the Soviet Union increased by 1.1 percent. The socialist countries accounted for 80.4 percent of all foreign trade.

The development of Czechoslovakia's cooperation with the CEMA member states, especially with the Soviet Union, continued. Direct relations continued to develop. A total of 128 accords on direct relations between Czechoslovak and Soviet enterprises had been agreed upon by the end of April.

Capital Construction [subhead]

In the national economy (the action "Z" [community self-help] and the population's private construction excluded) investment work and deliveries were carried out for Kcs65.5 billion; this sum included construction work for Kcs35 billion, and machinery and equipment for Kcs30.6 billion. [paragraph continues]

Compared with the same period last year, the volume of completed investment work and deliveries grew by 3.3 percent (this year's state plan calls for a 2.9 percent growth), in this the deliveries of machinery and equipment by 13.5 percent (the state plan envisages a 11.9 percent growth); on the other hand, the volume of construction work decreased by 4.3 percent (the plan envisages a 4.8 percent decrease). The growth of the proportion of machinery and equipment in the total volume of investments is in harmony with the targets to strengthen this active component of investments.

Capital construction was oriented, above all, toward the development of the production-technical base of the national economy. Preferential treatment was given to ensuring investment in the state goal-oriented programs, particularly those aimed at saving fuels and energy, ecological activity, nuclear energy, and electrical engineering. However, some negative tendencies of extensive development continued in capital construction. The number of started projects increased while the number of unfinished projects remained large. The completion of some projects lags behind schedule, and the projected production parameters on a part of capacities already in operation are not being achieved. This unfavorably affects the supplier-consumer relations and causes national-economic losses.

Of the 27 capacities designated as obligatory tasks of the state plan, planned to go into test operation in the first half-year, 23 were handed over by the end of June. For example, the provisional storage for spent fuel in the Jaslovske Bohunice nuclear power plant, and additional capacities for coal extraction in the Chabarovice mine in the North Bohemian brown coal basin went into operation; the production of castings for the automobile program in Metaza Tynec was expanded; the basic [zakladni] plant of the Makyta Puchov garment enterprise was reconstructed, the production of servodrives [servopohony] for machine tools in MEZ Brno was ensured, the Metro Blansko enterprise in Sumperk was rebuilt, the first stage of the electrification of the Beroun-Chrast line was concluded, the production of mineral fibres in Castolovice and the chemical production in Galena Opava was started.

Regarding nonproduction capacities, for example, the Druzba indoor swimming pool in Karlovy Vary and the outdoor school [skola v prirode] in Svetla went into operation. Other capacities, for example, were the Dargov department store in Kosice, the CTK building in Bratislava, a swimming pool in Jablonec nad Tisou, an old age home in Usti nad Labem, and new polyclinics in Plzen, Bratislava, and Prague-Modrany.

Problems in territorial [uzemna] and project preparations, shortfalls in construction work fulfillment, and in machinery and equipment deliveries for some projects meant that a part of capacities designated as obligatory could not be put into operation with the set deadlines. This applies to the expansion of capacities for cleaning castings in the East Slovak Iron Works in Kosice, the construction of an engineering plant in Tesla Vrable, the modernization of the 01 plant in Vertex in Litomysl, and the expansion of production of new antibiotics in the Antibiotics Research Institute in Roztoky.

Some of the most important projects started in the first half-year, for example, were the fourth stage of construction [4. stavba] of the Temelin nuclear power plant, the intensification of production of cyclohexylamine in the MCHZ enterprise in Ostrava, the production of inhibitors in Duslo Sala, the second stage of the mail transportation building in Prague, the university hospitals in Prague and Bratislava, the second stage of the D 11 expressway from Trevestovice to Libice, and the third stage of construction [3. stavba] of the D 8 expressway from Rehlovice to Trmice.

Work was started on integration projects in the USSR -- at the gas pipeline from Yamburg to the USSR western border, at the Krivoy Rog mining and oxidized ores dressing plant, and the Ural gas complex in Karachaganak. More than 6,000 Czechoslovaks were working there at the end of the first half-year.

Standard of Living [subhead]

The standard of living was developing further. With full employment of the able-bodied population, the number of persons working in the socialist sector of the national economy (united farmers cooperatives excluded) -- compared with the first half-year 1986 -- rose by 51,000, that is, by 0.7 percent, and reached 6,970,000 persons. Employment increased, above all, in the sphere of health care, education, communal services, science, research and development, in domestic trade; employment in united farmers cooperatives increased by 0.5 percent.

The population's nominal monetary incomes, compared with the first half of 1986, increased by 2.5 percent, and reached Kcs212.6 billion. The incomes from wages increased by 2.8 percent, social incomes by 0.7 percent.

The average nominal wage of an employee in the socialist sector of the national economy, including united farmers cooperatives, represented Kcs3,020 (Kcs3,005 with united farmers cooperatives excluded), and its increase, compared with the first half of 1986, constituted 2.2 percent. Real wages increased by 2 percent.

The population's monetary spending increased by 2.2 percent. The population's savings in state savings institutes reached Kcs243.2 billion. The proportion of long-term deposits increased. The loans to the population amounted to Kcs38 billion at the end of June.

The retail trade turnover of all systems, compared with the first half of 1986, increased by 2.2 percent in current prices, of which foodstuffs increased 1.9 percent and nonfood products rose 2.6 percent. Compared with the planned annual dynamism, the growth of the overall turnover was 0.3 percent lower. In physical volume, the retail trade turnover increased 2 percent compared with the first half of 1986.

The deliveries of the industry to the domestic market (in retail prices) increased by about 2 percent in the first half-year, as the planned task was exceeded. Despite this the developments as regards the purchases of goods and stocks [zasoby] in domestic trade did not create prerequisites for satisfying consumers' demand in respect to quantity as well as choice. A more marked improvement also did not occur in the quality of the offered goods. There was a shortage of color television sets despite the annual plan being fulfilled by about 50 percent. There was a shortage of deep freezers (the annual plan was fulfilled by 43 percent in the first 6 months), of automatic top-loading washing machines, sports bicycles, small motorcycles, baby wear, cotton underwear for adults, hosiery, sportswear, and footwear. The shortage of spare parts, especially for passenger cars, continued.

A total of 66,500 passenger cars were sold in the first half-year; this is 3.5 percent less than in the same period last year. Availability of imported cars and of certain SKODA models is inadequate.

Local foodstuff shortages cropped up in the supplies of certain kinds of meat and smoked meat products; and certain kinds of dairy products were also in short supply.

In the sphere of services paid for by the population, conditions were established primarily to ensure personal services provided by laundries and dry-cleaning shops, by barbers' and hairdressers' shops, and by photographic services. The volume of the reduction in the outputs of local production enterprises, service enterprises, and production cooperatives slightly increased, to amount to Kcs15 billion. The lack of spare parts and components negatively affected the development of repair activities; this applies above all to repairs to road vehicles, color television sets, recording devices, and certain kinds of consumer goods. The citizens' interest in made-to-measure goods has obviously dropped. There was a shortage of the necessary facilities for construction work and for repairs carried out for the population.

Local production enterprises, services, and production cooperatives delivered goods worth Kcs10 billion to the domestic market, that is approximately the same as last year; they also expanded the range of goods offered on the domestic market.

There are still considerable reserves with regard to the quality and promptness of services offered.

In the first half-year 1987 the general retail price index for commodities remained practically on the level of the same period in 1986 (plus 0.1 percent), whereby the price index for food products rose 0.2 percent, and for industrial goods 0.3 percent; the price index for public catering remained unchanged, but dropped 0.2 percent for services paid for by the population.

The sum total of social insurance benefits increased 0.6 percent, compared with the first half-year 1986; during the first half-year, Kcs27.6 billion were paid in retirement benefits and Kcs16.1 billion in health insurance benefits. Whereas retirement benefits have been systematically increasing, health insurance benefits have decreased (compared with last year) due to the smaller number of children entitled to receive children's allowances and fewer cases of sickness. Children's allowances amounted to Kcs8.1 billion; health insurance benefits Kcs4.7 billion; and other benefits Kcs3.3 billion. The number of old-age pensions paid out increased by 31,000, compared with the first half-year 1986, and amounted to 2,266,000 pensions.

In the school year 1986-87, 668,600 children attended pre-school education in kindergartens; this is almost 100 percent of the children in the corresponding age group. Elementary schools were attended by 2,088,800 pupils; day studies in secondary schools by 132,800 pupils and in secondary vocational schools by 210,000 pupils. Out of the 393,800 pupils trained in secondary vocational schools for workers professions, 54,600 graduated. A total of 140,400 students, including citizens from foreign states, attended day studies in all types of university-level schools.

Toward the end of the first half year, the capacity of medical care institutions was 194,000 beds. The number of citizens per physician dropped further and amounts to 273. Expenditures for medical drugs for the population rose almost 10 percent. Day nurseries accommodated 121,800 children, which amounts to 18.3 percent of all children up to the age of 3. The amounts spent on improving and protecting the living environment increased. A total of 223 ecological projects, with budgeted costs amounting to Kcs12.3 billion, were under construction in the first half-year 1987; 116 of these projects (with budgeted costs amounting to Kcs6.5 billion) are to safeguard water purity; 71 projects (with budgeted costs amounting to Kcs2.9 billion) are to safeguard air purity; and 36 projects (with budgeted costs amounting Kcs2.9 billion) are to be used to eliminate and use waste.

The total number of apartments completed within the framework of housing construction is 22,737 -- which is 3,855 apartments less than in the period January-June 1986. Here annual plan was fulfilled 26.7 percent. Out of the total number of apartments, 4,900 were built as communal construction projects, 8,200 as cooperative construction projects, 400 as enterprise construction projects, and 9,200 as private construction projects.

Construction work started on 39,700 apartments. Tasks concerning apartment modernization are not being accomplished; only 526 apartments were modernized in the course of the first half year.

In the "Z" campaign [community self-help], work was accomplished to the tune of Kcs1.6 billion; Kcs388 million of this amount is accounted for by water management projects, Kcs177 million by school projects, and KCS 187 million by trade and public catering projects.

Compared with past years, certain positive elements appeared in our population development. After several years, the natural population increase again shows a rising trend. A total of 111,000 children were born in the first half-year -- 1,000 fewer than in the same period last year; and 89,000 persons died, which is 7,000 fewer than in the first half year 1986. A total of 55,000 marriages were concluded, and there were 18,000 divorces. By 30 June 1987 the CSSR had a total population of 15,573,000.

CPSL WEEKLY COMMENTS ON BABINSKY TRIAL

WA281451 Bratislava NOVE SLOVO in Slovak No 28, 16 Jul 87 p 1

[Editorial by V.A. Daniel: "Epilogue to a Trial"]

[Excerpt] Recently, our press published the results of the 3-month-long trial of defendant Stanislav Babinsky and nine other defendants, who for a period of several years had been stealing great amounts of property under socialist ownership and committing other crimes.

Even though the decision of the court has not yet become final, we can already say that this marks the end of an important episode during which official functions were abused and a lot of property under socialist ownership stolen. Indeed, this case had captured widespread public attention and even generated various rumors, mainly because the legal proceedings were anything but simple and lasted such a long time. In all fairness, however, it must be emphasized that the trial itself was but an epilogue to the case as a whole. Long before the group appeared in the courtroom, party functionaries, alerted to various nefarious dealings and abuse of functions, started to investigate the matter. The CPSL Central Committee assumed a position on the results of this investigation and accepted party conclusions toward the responsible managers as early as January of last year. And when Comrade Lenart in the report to the CPSL Congress spoke of various nefarious deeds in our life, he stated also that this type of "negative activity was discovered in the district of Dolny Kubin where some former senior functionaries tolerated disorders and kept silent about them, showing favoritism to careerist elements who had enriched themselves at the expense of society. Functionaries of district national committees, who were directly responsible for the situation and management of subordinate organizations, are greatly to blame in this situation."

In short, self-appointed dispensers of society's assets will not escape punishment; those who had been party members were expelled from the party. [paragraph continues]

No one should have any illusions about escaping punishment, even though he might enjoy a temporary success while hunting in muddied waters. Laws are equally binding on everyone. Party statutes are as valid for a party functionary -- regardless of his rank -- as they are for a simple rank-and-file party member.

It also might be useful to recall a point which was brought out at the above-mentioned CPSL congress: these, and similar negative phenomena, become possible when intra-party democracy does not function properly, and when criticism and self-criticism have not yet been totally accepted.

Thus it is necessary and inevitable to systematically reinforce the principles of democracy, control, openness, and high standards throughout the entire society, in national councils, economic and social organizations, in all areas and at all levels.

BRIEFS

DELEGATION RETURNS FROM PRC -- A delegation of the Central Committee of the Czechoslovak Youth Union [SYU] headed by Jozef Durica, deputy chairman of the SYU Central Committee, returned from an official visit to the PRC on 6 July. The visit took place at the invitation of the Central Committee of the Communist Union of Chinese Youth [organization title as published]. "The delegation of the SYU Central Committee submitted proposals in China on how to fulfill the conclusions of Zhao Ziyang's visit in the CSSR in the two unions' concrete life." The two organizations also informed one another about their preparations for the 13th World Festival of Youth and Students, to be held in Pyongyang in 1989. [Summary] [Bratislava PRAVDA in Slovak 7 Jul 87 p 2 AU]

USSR PHARMACEUTICAL COOPERATION -- Talks devoted to CSSR-USSR cooperation, above all in the pharmaceutical industry, have been held in Moscow between the ministers of health of the two countries, J. Prokopec and Y. Chazov. The Czechoslovak minister returned home on Monday [21 July]. [Text] [Prague RUDE PRAVO in Czech 22 Jul 87 p 7 AU]

COOPERATION WITH ZIMBABWE -- The delegation of the Zimbabwe Congress of Trade Unions (ZCTU), led by Lovemore Matombo, ZCTU first vice-president, concluded its official friendly visit to the CSSR at the invitation of the CSSR's Central Trade Union Council (URO) on 25 July and departed from the CSSR. It was seen off at Ruzyne airport in Prague by URO representatives. [Summary] [Bratislava PRAVDA in Slovak 27 Jul 87 p 2 AU]

FIRE DESTROYS SAW MILL -- In the early morning hours of 21 July a blaze raged through and destroyed the Piloimpregna saw mill in Kosice-Saris, causing direct damage estimated at Kcs20 million and loss of production valued at a further Kcs20 million. The cause of the fire is being investigated. [Summary] [Bratislava PRAVDA in Slovak 23 July 87 p 2 AU]

POWER PROJECT IN LEVICE -- (CTK) -- The hydro-electric power project near Velke Kozmalovce in the Levice district is the largest investment project resulting from the construction of the Mochovce nuclear power plant. The dam on the river Hron will store cooling water for the Mochovce plant and will irrigate more than 13,000 hectares of land. The project will cost Kcs270 million and will be completed in June 1988. [Summary] [Prague RUDE PRAVO in Czech 23 Jun 27 p 2 AU]

REPORTAGE ON U.S. OFFICIAL RIDGWAY'S VISIT

Meets With Axen

LD242129 East Berlin ADN International Service in German 1635 GMT 24 Jul 87

[Text] Berlin, 24 Jul (ADN) -- Hermann Axen, member of the Poliburo and secretary of the SED Central Committee, today received Undersecretary of State Rozanne L. Ridgway, U.S. deputy secretary of state for Europe and Canada, for a discussion on international and bilateral issues.

The GDR politician explained the constructive and comprehensive peace and disarmament program of the Warsaw Pact states. The nuclear and space-age requires a new way of thinking and a new approach to solving internatioal problems, especially in the areas of disarmament and security. In this connection, Hermann Axen referred to the constructive proposals of the Berlin meeting of the Warsaw Pact Political Consultative Committee, which are fully supported by the GDR and for which the GDR is actively working.

Hermann Axen affirmed the GDR's great interest in an agreement between the Soviet Union and the United States on the world-wide elimination of their nuclear medium-range and operational-tactical missiles.

The latest Soviet proposal on a global double-zero option is smoothing the path for this first disarmament step and the start of an age of a world without nuclear weapons. The other side is now called upon to respond positively. Hermann Axen affirmed the GDR's standpoint to move from a zero option in one sphere to a zero option in another, including chemical and conventional weapons. Allowing disarmament in one area to be thwarted by rearmament in other areas must not be permitted. He underlined the GDR's interest in an early decision by the Vienna CSCE review meeting on the negotiations on conventional disarmament in Europe, from the Atlantic to the Urals.

The GDR politician emphasized the growing importance of specific contributions by states, irrespective of their size, for the safeguarding of international security.

The GDR is acting correspondingly with its proposals for the creation of a nuclear-free corridor and a chemical weapon-free zone in central Europe. Under-Secretary of State Ridgway explained the U.S. positions on issues of security and disarmament. She said the Reagan administration is interested in the conclusion of an agreement between the United States and the USSR on the elimination of their nuclear medium-range missiles.

The two sides said the exchange of views had been useful and called for the continuation of political dialogue between the GDR and the United States. They affirmed their willingness to develop relations between the two states in all areas.

The meeting was attended by Dr Herbert Krolikowski, state secretary and first deputy minister of foreign affairs of the GDR, the ambassadors of the two states, Francis Joseph Meehan and Dr Gerhard Herde, and Ambassador Dr Herbert Barth, head of the United States Department at the GDR Foreign Ministry.

Meets With Krolikowski

LD242134 East Berlin ADN International Service in German 1643 GMT 24 Jul 87

[Text] Berlin, 24 Jul (ADN) -- Dr Herbert Krolikowski, state secretary and first deputy minister of foreign affairs, met in Berlin today with Rozanne Ridgway, U.S. deputy secretary of state for Europe and Canada. Their talk focused on international issues and the development of bilateral relations.

DEFENSE OFFICIAL RECEIVES SANDINIST ARMY DELEGATION

LD271518 East Berlin ADN International Service in German 1336 GMT 27 Jul 87

[Text] Berlin, 27 Jul (ADN) -- Today, Colonel General Fritz Streletz, deputy minister for national defense and chief of the Main Staff of the National People's Army [NVA], received a delegation from the Sandinist People's Army of Nicaragua for friendly talks. It is led by Colonel Hugo Torres Jimenez, chief of the political section of the Sandinist People's Army. During their visit to the GDR, which is to last several days, the guests will visit NVA troops and establishments.

Colonel General Streletz briefed his guests on the efforts by the GDR Armed Forces to achieve the task given them by the 11th SED Congress. The peoples' soldiers will do justice to their responsibility in the area of peace policy with new initiatives and achievements in the course of the second half of the training year.

Just like the GDR working people they are making their contribution to the policies of the SED which are directed toward people's well-being and the security of peace. The members of GDR's forces firmly support Nicaragua and regard active solidarity as their internationalist duty.

Colonel Torres Jimenez reported on the heroic struggle by the Nicaraguan people and the Sandinist People's Army in securing revolutionary achievements. He expressed his gratitude for the NVA solidarity with his country.

Taking part in the meeting was Horst Bruenner, deputy defense minister and chief of the NVA Political Main Administration.

HONECKER GREETS ORTEGA ON REVOLUTION ANNIVERSARY

LD181023 East Berlin ADN International Service in German 0301 GMT 18 Jul 87

[Text] Berlin, 17 Jul [date as received] (ADN) -- With the overthrow of the Somoza regime in July 1979 the building of a new, just order began in Nicaragua, and with the first constitution of free Nicaragua, the heirs of Sandino proclaimed their decision to resolutely continue the national renewal. This is stated by Erich Honecker, SED general secretary and chairman of the GDR Council of State in a greetings telegram to Daniel Ortega, member of the FSLN [Sandinist National Liberation Front] Directorate and Nicaraguan president, to mark the 8th anniversary of the victory of the Sandinist popular revolution.

Erich Honecker expresses the conviction that neither threats nor external interference can break the will of the Nicaraguan people. The GDR welcomes and supports all initiatives directed toward a just political settlement of existing disputes in Central America. [paragraph continues]

Erich Honecker gives the assurance that the GDR will continue to stand alongside the staunch Nicaraguan people in their struggle for independence, sovereignty, self-determination and social progress in firm friendship and active solidarity.

HONECKER, STOPH TELEGRAM TO CUBA'S CASTRO

AU271453 East Berlin NEUES DEUTSCHLAND in German 25-26 Jul 87 pp 1-2

[Text] East Berliln (ND) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Willi Stoph, chairman of the Council of Ministers, have sent the following telegram to Fidel Castro Ruz, first secretary of the Cuban Communist Party, and chairman of the State Council and Council of Ministers of the Republic of Cuba:

Dear Comrade Fidel Castro: We convey to you, the Cuban Communist Party, the State Council, the Council of Ministers, and the entire fraternal Cuban people most cordial greetings and congratulations from the SED Central Committee, the State Council, the Council of Ministers, and the people of the GDR on the occasion of the 34th anniversary of the national uprising.

On this historical 26th July the Cuban people took up the struggle for national and social liberation which was crowned by the first victorious socialist revolution on the American Continent.

Under the wise leadership of its Communist Party, Cuba is striding resolutely toward the accomplishment of the construction of socialism in implementing the decisions of the Third Party Congress and is reliably defending its revolutionary achievements.

In their struggle for the implementation of their goals, the Communist Party and the entire Cuban people can continue to be sure of the close solidarity and support of the SED and the people of the GDR.

In close unity with the other socialist states, the GDR and Cuba are fighting to solve the main problem of our time: to prevent the destruction of mankind in a nuclear catastrophe and to ensure for it a future of lasting peace. Particular importance is attached in this respect to Cuba's active policy in the Nonaligned Movement.

We are convinced the fraternal international relations between the two parties, states, and peoples will continue to deepen and to further develop for the benefit of both sides and in the interest of strengthening world socialism.

Esteemed Comrade Fidel Castro, we wish you from the bottom of our hearts good health and creative energy, and all citizens of your country, new successes in further strengthening and defending socialism.

Erich Honecker
General Secretary of the SED Central Committee and chairman of the GDR State Council

Willi Stoph
Chairman of the GDR Council of Ministers

SED MESSAGE TO BRAZILIAN CP GENERAL SECRETARY

AU271355 East Berlin NEUES DEUTSCHLAND in German 24 Jul 87 p 1

[Text] East Berlin (ND) -- The SED Central Committee has sent a congratulatory telegram, signed by its secretary general, Erich Honecker, to Salomao Malina, general secretary of the Communist Party of Brazil. The telegram reads as follows:

Esteemed Comrade Salomao Malina:

On behalf of the SED Central Committee I convey cordial congratulations to you on your election as general secretary of the Communist Party of Brazil.

In your responsible function I wish you good health and successful work for the benefit of the Brazilian people and our common revolutionary cause.

With socialist greetings,

SED Central Committee
E. Honecker,
General Secretary

IRAQI LEADER THANKS HONECKER FOR GREETINGS

AU271310 East Berlin NEUES DEUTSCHLAND in German 24 Jul 87 p 2

[Text] East Berlin (ADN) -- Saddam Husayn, president of the Republic of Iraq, has sent the following telegram to Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council:

Thank you for your kind congratulations you conveyed to me on the occasion of the 19th anniversary of the 17 July Glorious Revolution, the National Day of the Republic.

I wish you good health and well-being, further progress and prosperity for the GDR people, and a fruitful development of your country.

KRENZ RECEIVES IOC PRESIDENT IN LEIPZIG

LD271802 East Berlin ADN International Service in German 1605 GMT 27 Jul 87

[Text] Leipzig, 27 Jul (ADN) -- Egon Krenz, deputy chairman of the GDR State Council, member of the Politburo and secretary of the SED Central Committee, today received International Olympics Committee [IOC] President Juan Antonio Samaranch for talks in Leipzig. The highest representative of the international Olympic movement is in the GDR as guest of honor for the opening of the 8th Gymnastics and Sports Festival, and the 11th Children's and Youth Spartakiad.

Egon Krenz briefed the IOC president on the peace and disarmament program of socialism, and on various GDR efforts for a policy of worldwide constructive dialogue. Mikhail Gorbachev's latest proposals on a global double-zero option for medium-range and operational and tactical missiles are a decisive impetus toward reaching a world without nuclear weapons by the year 2000.

Egon Krenz stressed that giving peace a firm foundation and achieving guarantees for peoples living together being determined by common sense was and remains the highest political precept for GDR action. The upcoming Leipzig festival of sport and joi de vivre would be committed to this humanist cause.

Egon Krenz explained how the all-round realization of the 11th SED Congress resolutions is also contributing to a further upward trend in physical education and sport in the GDR, and, above all, in promoting mass sports. He recalled Erich Honecker's meeting with Juan Antonio Samaranch last November, and in this regard, reasserted the GDR's viewpoint that it will continue to fully support maintaining and promoting of Olympic ideals.

The IOC president expressed his joy at being able to visit the national festival of physical education and sport in the GDR for the third time, the previous occasions being in 1977 and 1983. This festival documents the remarkable place of sport in GDR policies, which are directed toward peace and social progress.

Juan Antonio Samaranch paid tribute to the GDR contribution over several years toward strengthening the Olympic ideal, which is highly valued by the IOC. The guest expressed his certainty that in the future nothing would change regarding this. The president of the IOC gave an extensive briefing on current questions concerning the Olympic movement, particularly the preparation for the 1988 Olympics.

NETHERLANDS, UK, BELGIUM REPLY TO HONECKER LETTER

LD242102 East Berlin ADN International Service in German 1426 GMT 24 Jul 87

["Ruud Lubbers, Margaret Thatcher, and Wilfried Martens comment on questions concerning the safeguarding of peace and disarmament" -- ADN headline]

[Text] Berlin, 24 Jul (ADN) -- In recent weeks, three heads of government have replied to personal letters sent by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State at the beginning of May. The letters were sent to: Ruud Lubbers, prime minister of the Netherlands; Margaret Thatcher, prime minister of Great Britain; and Wilfried Martens, prime minister of Belgium.

In his message, Erich Honecker pointed out the unique opportunity for a first, genuine breakthrough on arms limitation and disarmament in Europe. The danger still existed that this opportunity could be missed, he said. Therefore, he urged that all states agree without reservation to a zero option on the medium-range missiles of the United States and the USSR.

The GDR was convinced that the idea of a nuclear weapons-free corridor in central Europe acquired new significance, particularly in light of Soviet proposals for medium-range and operational and tactical missiles.

Erich Honecker, in his message to the heads of government, affirmed the GDR's firm intention, in view of the number of reservations aired by Western politicians, to work purposefully with her alliance partners toward far-reaching disarmament measures with regard to conventional arms.

Since the key to progress on all these issues today was the quickest possible agreement on the elimination of Soviet and U.S. medium-range missiles, there could be no more important task than for government politicians to do everything in their power to help bring about this agreement. Erich Honecker expressed the hope that because of this responsibility people would agree, despite their differing views on other issues.

In their letters of reply, the representatives of the three countries emphasized the need to discuss the issues of nuclear disarmament and arms control. They endorsed the view that there might be an early agreement on the elimination of Soviet and U.S. medium-range missiles of a longer and shorter range, and praised the GDR's willingness to make a contribution to supervising the withdrawal of the operational and tactical missiles stationed on her territory. At the same time, the heads of government explained their governments' view on conventional disarmament in Europe and their attitude toward the question of a nuclear-free corridor in central Europe.

NUCLEAR POWER PRODUCTION DECREASED IN 1986

DW290947 Bonn DIE WELT in German 29 Jul 87 p 8

[DPA/VWD article: "Less Nuclear Power in the "GDR"]

[Text] Berlin -- The "GDR" nuclear powerplants near Greifswald and Rheinsberg produced 15 percent less energy in 1986 than they did the previous year. According to a report by the Information Bureau West (IWE) yesterday, the percentage the total power production. On the other hand, the percentage of brown coal increased from 82.5 to 83.3 percent. According to official data, the "GDR" wants to increase the percentage of supplied nuclear power to 15 percent by 1990.

BRIEFS

TRANSPORTATION AGREEMENT WITH MOZAMBIQUE -- Talks on further cooperation in the transportation sector between the GDR and the People's Republic of Mozambique were concluded in Berlin on 23 July. The talks focused on ensuring foreign trade exports between the two countries, deepening cooperation in sea-borne traffic and port management, and training of Mozambican working people for jobs in the transportation sector. The protocol was signed by deputy transport ministers of both countries. [Summary] [East Berlin NEUES DEUTSCHLAND in German 24 Jul 87 p 2 AU]

GDR-MONGOLIAN GOODS EXCHANGE -- The Protocol for goods exchange and payments in 1988 between the GDR and the Mongolian People's Republic was signed in Berlin on 24 July. At the same time, further measures for the development of economic cooperation were adopted by the GDR Ministry of Foreign Trade and Mongolia's State Committee for Foreign Trade Relations. Under this agreement the GDR will mainly supply machines and equipment for the light and foodstuffs industries, products from the electrical engineering and electronics sector, and from scientific equipment construction, chemical products as well as consumer goods. The GDR will receive products from the mining industry, leather and velour fur clothes, carpets, wool and other products of animal origin. [Summary] [East Berlin NEUES DEUTSCHLAND in German 25 Jul 87 p 2 AU]

LEADERS' MESSAGE TO CASTRO ON NATIONAL DAY

AU270949 Budapest NEPSZABADSAG in Hungarian 25 Jul 87 p 3

[Text] On the occasion of Cuba's national day, MSZMP General Secretary Janos Kadar; Karoly Nemeth, president of the Presidential Council of the Hungarian People's Republic; and Karoly Grosz, chairman of the Council of Ministers of the Hungarian People's Republic, sent the following telegram of congratulations to Dr Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and Council of Ministers of the Republic of Cuba:

Esteemed Comrade Fidel Castro!

On the occasion of the national day of the Republic of Cuba, the 34th anniversary of the attack on the Moncada barracks, and the day of the national uprising, on behalf of the Presidential Council and the Council of Ministers of the Hungarian People's Republic and on behalf of the Hungarian people, we send our greetings and best wishes to you, the Central Committee of the Communist Party of Cuba, the Council of State and the Council of Ministers of the Republic of Cuba, and to the Cuban people.

Our people highly regard the results achieved by the Cuban people in socialist construction and their revolutionary achievements.

We highly appreciate the active foreign policy of Cuba; a policy that efficiently contributes to strengthening international peace and security, and the cause of social progress.

We are happy to conclude that the cooperation between our parties and countries, and our friendship based on the identity of our ideals and goals continue to strengthen in all spheres of life.

On the occasion of this important anniversary, we wholeheartedly wish you and the friendly Cuban people further great successes in implementing the decisions of the third congress of the Communist Party of Cuba and in your tireless efforts to develop your country.

FINANCE MINISTER MEDGYESSY DISCUSSES TAXATION

LD280828 Budapest Domestic Service in Hungarian 1630 GMT 27 Jul 87

[Correspondent Henrik Havas' report on Finance Minister Peter Medgyessy addressing a joint session of the Planning and Budget, and Administrative, Legal, and Judicial Committees of the National Assembly on questions of taxation; date not given — passages within quotation marks recorded]

[Excerpt] [Havas] [Passage omitted] Finance Minister Peter Medgyessy preempted the representatives when he asked the question: What if the National Assembly does not approve the draft bill?

[Medgyessy] "I think we can say that, yes, of course, one can also vote this way. The responsibility of who allies himself to what is enormous. The responsibility is enormous because if we say no, the plan for 1988, which is slowly being formulated, must still be fulfilled in some way.

The tasks will be the same in 1988 no matter which system we choose, and no other system is left to fulfill these tasks than the existing tax and price system, of which we know precisely, now, that it is unsatisfactory.

"There is, of course, the possibility of delaying its implementation. As regards a postponement, I would like to draw one thing to everyone's attention: If there were deficiencies and difficulties in the economic policies of the past 10 years -- and there were, all of us know that there were -- then that was delaying -- every time delaying. Whatever happened in the world economy, whatever internal signs there were, our measures were behind by months, by years -- by 5 years. Is it permissible now to continue with this delay?"

[Havas] The next question was asked by many people: Even if tax reform is needed, is this the right time to introduce it?

[Medgyessy] "It is not a good time for reform, because 1988 is a year when all of us know that financial rigor cannot be relaxed. We must sort out our accumulated problems: the foreign debt has been increasing for years; there is once again an imbalance in the Hungarian economy. In such a situation, financial rigor cannot be relaxed and yet, at the same time, we must pursue reform. It is obvious that to some extent this discredits reform. It is much easier to get a reform measure accepted if it gives something to the public and does not take anything away from them. It would be much simpler if this were the case. But we have no time to wait for the phase when we are beyond the unpleasant, bad steps."

[Havas] And now, about one of the most debated elements of the tax reform: Those who receive concessions. This is exciting because it is just the neutral characteristic of the most positive aspect of the reform; that is, breaking the monopoly of the privileged branches and large enterprises. The problem came up again today in connection with the introduction of a personal income tax.

[Medgyessy] "A very interesting situation is developing: whereas before everyone was emphasizing that exemptions must be given for this, that, and the other, now a situation has developed where in many such social debates we are criticized for having determined the sphere of exemptions too loosely -- that these concessions should not be given to the agrarian sphere; that these concessions should not be given to intellectual freelancers; that perhaps the extent allowed in the field of inventions is not correct; and people engaged in sports, and so on. In fact I must add that in spirit, we agree with this approach."

[Havas] Peter Medgyessy went on to say that although a comprehensive reform of social policy would also be needed, this cannot be done as there is no money for it. What is possible is to adjust social policy to the new tax system, to make it as harmonious as possible, if not as harmonious as desirable. This is connected to another question that is often asked: Should there be personal or family income tax?

[Medgyessy] "In our system, to make tax concessions a variable of the number of dependents, as a percentage amount, would mean that we would give a greater concession to those with high incomes. There would be a logic in this if this country were richer. Therefore for want of something better, I repeat -- for want of something better, not because this is the best, for want of something better, we can only say that the question of what the state contributes for the dependents of a family must be decided as an absolute amount." [passage omitted]

HALF-YEAR STATISTICS ON DOMESTIC TRADE TURNOVER

AU290922 Budapest NEPSZABADSAG in Hungarian 28 Jul 87 p 1

[Correspondent's report: "Our Domestic Trade Turnover in the First Half of the Current Year -- The Supply of Goods Was in Harmony With the Increase in Demand"]

[Text] The Domestic Trade Ministry has summed up the data on the domestic trade turnover for the first half of the current year. In evaluating these data, one has to take into consideration that, in the period under evaluation, the population's income from central sources increased by 7.2 percent, and the population's stock of savings increased by 10.5 billion forints in the period from 1 January to 30 June, and stood at 285.4 billion forints. The savings banks supplied 364,000 goods-puchase loans worth 7.2 billion forints. The number of loans provided for housing was close to 78,000, an increase of 10 percent. The amount of housing loans stood at 11.1 billion forints, 1 percent less than in the same period last year.

The retail trade turnover stood at 281.2 forints, an 8.6 percent increase -- in current consumer prices -- compared to the first half of 1986. As usual the greatest increase took place again in the turnover of miscellaneous industrial goods -- 10.7 percent -- and the smallest increase took place in the turnover of catering, a total of 4.6 percent. Food sales increased by 7.2 percent and the turnover of clothes increased by 7.3 percent.

The distribution of turnover increase is also worth considering. While the state-owned shops and catering facilities increased their turnover by an average of 8.8 percent compared to the same period last year, the turnover registered in cooperative shops and stores increased by only 7.6. The private retail trade increased its turnover of goods deriving from the central stock of goods by 19 percent.

Counting it in unchanged prices and taking the 5.4 percent price index of January-May as a basis, retail trade turnover increased by 3 percent in the first half of the current year, considerably exceeding the 0.1 percent growth stipulated by the people's economic plan.

The stock of consumer goods turnover stood at 91 billion forints on the last day of the first half of the current year, 4.6 percent more than at the same time last year. There was an increase primarily in the stocks of food wholesale and miscellaneous industrial goods retail trade, while the stocks of clothing both in the retail and wholesale trade decreased.

The Economic Main Department of the Domestic Trade Ministry concluded that the outflowing purchasing power and the stock of goods were balanced in the first half of the current year.

With the exception of some building materials, we succeeded in maintaining -- and even improving in certain areas -- the supply of goods. As the convertible import of consumer goods decreased, the increase in the supply of goods was based on domestic production and ruble imports. Although the consumer goods market in the first half of the current year was characterized by an increase in demand -- the Domestic Trade Ministry report concludes -- no new considerable and lasting shortages emerged. On the contrary, the previous shortage in some products eased up.

U.S. PLANS TO GIVE SOLIDARITY $1 MILLION IN AID

LD291025 Warsaw PAP in Russian 0905 GMT 29 Jul 87

[Text] [No dateline as received] -- On 11 July U.S. President Ronald Reagan signed an act, passed by the Congress, stipulating that $1 million is to be made available to the leadership of the so-called underground structures of the former "solidarity." In connection with this W. Lozinski writes in TRYBUNA LUDU:

It must be said outright that payments to U.S. Government agents -- some more secret, others less so -- clearly runs counter to international relations and respect for state sovereignty and independence. It represents yet another instance of interference in Poland's internal affairs, her social and national policies. Let us leave aside here the morality of those who pay and those who have been hired. Let us just note the striking dissonance between the recently proclaimed desire to improve relations with Poland and to develop them on the basis of equality and the practical interference in our internal affairs with recourse to such shameful and illegal means as a trawl for paid agents.

WOZNIAK MEETS PRC ECONOMIC DELEGATION HEAD

LD281805 Warsaw PAP in English 1714 GMT 28 Jul 87

[Text] Warsaw, July 28 -- Polish-Chinese economic talks have begun here today. The Chinese delegation attending the talks is headed by Gan Zhijian, deputy chairman of China's State Planning Commission.

The talks, held in agreement with the decisions reached by the chairmen of both countries' central planning organs, will information and experiences stemming from the implementation of reforms, especially in the field of national economy management. [sentence as received]

Gan Zhijian was received by PUWP CC Political Bureau member and CC Secretary Marian Wozniak.

Wozniak drew attention to the social and political determinants of the acceleration of the process of the intensification of Poland's economy and the fuller implementation of market mechanisms. Gan Zhijian informed the participants on the preparations for the Chinese Communist Party's 13th Congress, the main subject of which will be the further implementation of economic reform in China.

The Chinese guest was also received by the chairman of the Council of Minister's Planning Commission, Deputy-Premier Manfred Borywoda. During the talk information on the actual economic goals and the directions of both countries' development was presented. In this context attention was given to the possibilities of enriching economic cooperation between Poland and China.

Also today, Polish-Sino plenary talks were held at the Planning Commission, which were also attended by China's Ambassador Pei Yvanying.

ARMY OFFICER ON ARMS TALKS, NATO-PACT BALANCE

LD281718 Warsaw PAP in English 1422 GMT 28 Jul 87

["No Alternative to Agreement" -- PAP headline]

[Text] Warsaw, July 28 -- Achieving the reduction of troops and armaments, especially in Europe, would be of a great significance for the security of Poland. But there can be no doubt that western countries are trying to halt progress enforced in disarmament talks, seeking ever new barriers and presenting conditions difficult to accept, said representative of the general staff of the Polish Army Colonel Marian Moraczewski in a conversation with a PAP journalist, while speaking about attempts to question the defensive character of the military strategy of socialism and opinions of an alleged advantage of the Warsaw Treaty.

Colonel Moraczewski stressed that an honest analysis of the advantage issue shows that there existed a comparative balance between the two blocs and that statements on the military advantage of the Warsaw Treaty did not result from pure conditions.

Among them he named the political aspect of using the threat scarecrow to consolidate western states and discipline West European countries by the United States and the economic aspect where armaments secure high profits for the arms industry as well as for the whole economy.

In conclusion Colonel Moraczewski said that one should hope that the western side is aware of the fact that the current level of military technology and destructive potentials there is no alternative to agreement on limiting armaments or on disarmament. This gives foundations for optimism as to the outcome of disarmament talks although life realism shows that it is not easy but still feasible.

BRIEFS

HOUSING CONSTRUCTION -- The fulfillment of this year's plan for housing construction is threatened. In the first half of the year, only 46,000 apartments were handed over for use, which is 34 percent of the annual plan. Lack of workers, the low level of technical development, and insufficient material supplies were mentioned among the reasons for this situation at a press conference at the Ministry of Construction. It was stated that the situation in the housing construction will not improve until equilibrium is restored on the investment-construction market. [Text] [Warsaw Domestic Service in Polish 1400 GMT 28 Jan 87 LD]

KRUNIC TOAST AT NEPTUN DINNER 22 JULY

AU231215 Bucharest SCINTEIA in Romanian 23 Jul 87 pp 1, 3

["Toast by Comrade Bosko Krunic" at a dinner given in his honor by Nicolae Ceausescu, RCP secretary general and president of Romania on 22 July at the Neptun Resort]

[Text] Distinguished Comrade Ceausescu, Comrades,

I want to most cordially thank you, Comrade Nicolae Ceausescu, for your invitation to come to your country, and for the hospitable reception and attention we were extended. This visit and our talks continue the tradition of the Yugoslav-Romanian top-level meetings that you, Comrade Ceausescu, and President Tito established and that played and plays a substantial role in our relationship.

Over the centuries very close ties developed between our peoples as well as a close friendship that stood many tests and was the basis for the successful growth of the links in our time. However, for this to be achieved, the universal value of the democratic principles of independence and equal rights, territorial integrity and sovereignty, observance of the different path of domestic development and a different external position, mutual respect and non-interference had to be understood and asserted in practice, since this is the only basis on which relations between states and peoples, between progressive parties and movements can be set and develop productively.

Because of this, and of the consistent respect for these principles by our two countries and parties, we could give a high appreciation to our relations and cooperation in our talks today as well. Which does not mean that our relationship is not -- and will not be -- without problems, because problems and different interests are part of life. But when our relations are based on clear principles, I am sure that no problems are unsolvable. Nor should differences in the approach to some problems be an obstacle to a fruitful and mutually advantageous cooperation. This is particularly true of inter-party cooperation that should be characterized by a high measure of sincerity, understanding and respect -- like the relationship between our two parties. With this as a starting point and with a regular exchange of opinions on all problems of common concern, the LCY and the RCP can and must substantially contribute to a swap of experience, to a better knowledge and mutual rapprochement, as well as to the generally good multilateral and stable relationship and cooperation between our two countries.

Although we have reasons to be pleased with the course of our relationship and cooperation, there is still much room for their further promotion and expansion, many possibilities and many demands we both share. This is particularly true of economic cooperation, of cooperation in science and technology, but also in all other areas.

New forms of economic cooperation to take it to a higher level, in line with the modern development of technology and science, and the identification of durable, long-term forms of cooperation would make a contribution, help us, among other things, get more easily over the problems our countries still face at one time or another. [paragraph continues]

We must find the ways and the means to expand the goods exchanges, overcome the periods of stagnation to give stability, dynamism and durability to our economic and technological cooperation. For that purpose we must resort to a greater extent also to cooperation in the border area where conditions are in place to become one of the most important forms of our mutual relations.

In reference to the situation in his country, the LCY Central Committee Presidium president said:

You know the overall performance and the profound social, economic, cultural and social security changes in Yugoslavia, in our socialist development on the basis of self-management. Being faced with certain problems in our growth, especially on the economic front, we adopted a long-term economic development program and critically analysed the way the political system of socialist self-management functioned. We are making efforts to speed up the economic and social development of our country and give it more stability. We made constitutional changes and improved the economic mechanism for a speedier growth of the forces of production and of the socialist relations of production on the basis of self-management, of the growing role of associated work, of the application of real economic categories and of the economic laws at work in the socialist production of commodities. Those options showed powerfully in a unitary way also at the Thirteenth LCY Congress. The tasks that were set and their fulfillment, as well as our results, strengthen our opinion and resolve to find still more efficient solutions to problems and contribute to the stable and dynamic growth of our democratic socialist community of equal peoples and nationalities.

Referring then to some international questions, Comrade Bosco Krunic said:

Some positive processes and constructive initiatives have emerged lately that give the hope that an accord on vital international problems can be reached. I mean the resumption of the talks between the USSR and the U.S. on disarmament and especially on the removal of the medium-range missiles from Europe, which would be of outstanding importance for peace and security not only in our continent but the world over. This would coincide with everything done so far within the CSCE for the building of a climate of understanding and collaboration in Europe. Yugoslavia attaches great importance to this fact.

People around the world aspire more and more to peace, in their struggle against all forms of pressure, hegemony, intervention and exploitation, for the engineering of equitable and democratic international political and economic relations, for the strict observance of every country's rights to self-dependently establish its ways of development and its international policy, for the full affirmation of every party's rights and responsibilities toward its own working class and people. These democratic and progressive tendencies find powerful expression in the requests for the eradication of all factors that menace world peace and security as a whole.

Speaking of these positive tendencies, I wish to emphasize especially the important role of the non-aligned movement as a global, independent factor outside the blocs and as a major peace-loving force in the world. Through its activity, relying upon the fundamental principles of non-alignment, through the constructive approach to all international issues, through continuously presenting proposals for the settlement of the burning questions, it has made an important contribution to the promotion of the peaceful interests and aspirations of the whole international community. Yugoslavia has always contributed and will contribute to the fullest to such an activity.

We think the Balkans cannot be left outside these positive processes in international relations. The conditions exist, so it is necessary to boost such processes. For these reasons our country had the initiative to propose the meeting of Balkan countries' foreign ministers, a meeting that, we are sure, would encourage to a significant degree the processes of enhancing the confidence, security and collaboration in the region..

In the elapsed period, despite numerous efforts and the unquestionable interests of the whole international community, unfortunately no major progress has been marked in the settlement of the international economic issues and in overcoming the developing countries' ever more difficult economic situation. Therefore, the LCY and the SFRY campaign for the whole international community's interest and commitment to focus on these issues. Unless they are settled there can be no development, either of the underdeveloped or of the developed ones, there can be neither lasting peace nor security in the world.

The LCY thinks that all contradictions and issues of the present-day world, and especially those that threaten peace, security and development, can and must be settled only through the united struggle of the democratic and peace-loving forces. Mankind's existence and prosperity, which is our universal responsibility in the nuclear era and an obligation toward the new generations, requires the contribution of all countries and peoples. The processes in the world are interrelated -- everything that happens regards everybody. Therefore, all countries, irrespective of their size and power, have the right and inalienable duty to participate, through their own contribution, in the building and development of the international political and economic relations of fully equal rights, democratic relations upon which the world's future depends.

The progressive parties and movements have a special role to play in discharging these duties. They are expected to be in the front ranks of the struggle for freedom, prosperity and for the peoples' interests, for progressive social transformations and for mankind's universal values, through their ideas, proposals and initiatives. And this is only possible if their collaboration is fully based on the democratic principles of independence and equal rights and if this collaboration is actively participated in by all progressive forces, irrespective of their ideological and political differences. This will be a direct and powerful contribution to the affirmation and development of socialism as a world process.

In concluding his toast, the LCY Presidium president said:

I wish once more to express my satisfaction at this visit, at our rich talks that will help consolidating and deepening the relations between our parties and between the two neighbor and friendly countries.

I wish you, Comrade Ceausescu, and all Romanian comrades good health and success in discharging the tasks of building socialism in your country.

- to the Romanian people's prosperity.
- to your health.

CEAUSESCU, PAPANDREOU CALL FOR DISARMAMENT

AU281016 Bucharest AGERPRES in English 0918 GMT 28 Jul 87

["Declaration and Call of the President of the Socialist Republic of Romania, Nicolae Ceausescu, and the Prime Minister of the Hellenic Republic, Andreas G. Papandreou" -- AGERPRES headline]

[Text] Bucharest AGERPRES 28/7/1987 -- The president of the Socialist Republic of Romania, Nicolae Ceausescu, and the prime minister of the Hellenic Republic, Andreas G. Papandreou

Reiterating their deep concern over the serious and complex international situation following the arms race, the stockpiling of huge quantities of weapons, nuclear in particular, the policy of aggression and interference in the internal affairs of other states, the existence of many conflicts in various parts of the world, the deterioration of the developing countries' situation,

Considering the serious and imminent danger posed to mankind by the continuing arms race and the occurrence of new types of nuclear arms as well as of other weapons of mass destruction which call for a new approach to peace and disarmament questions,

Aware of the need and duty to safeguard the destinies of detente and peace, of the importance of putting the soonest possible end to the arms race, to the nuclear one in particular, to completely eliminate nuclear weapons and substantially cut the conventional ones,

Convinced that the conclusion of an accord between the Soviet Union and the United States of America on the scrapping of intermediate-range nuclear missiles from Europe will be a historic step along this line,

Believing that the latest Soviet proposal for the complete elimination of all medium-range nuclear weapons on a global scale facilitates much the conclusion of such an accord,

Urgently call on the President of the United States of America, Ronald Reagan, and the general secretary of the Central Committee of the Communist Party of the Soviet Union, Mikhail Gorbachev, to continue to step up efforts toward reaching a first accord on the elimination of all medium-range missiles as soon as possible, apt to pave the way for the conclusion of further accords necessary for the achievement of complete nuclear disarmament.

Also call for the conclusion of an accord on a total ban on nuclear tests and renunciation of any action for the militarization of the outer space.

Underscore the responsibility of the European states, of the states in the membership of the NATO and the Warsaw Treaty in the first place, to actively cooperate for disarmament, understanding, security and peace and call on these countries to step up efforts to reach an accord on nuclear arms and, in this sense, they urge the countries of the two blocks to support the achievement of such an agreement, overcoming all the existing problems.

President Nicolae Ceausescu and Prime Minister Andreas G. Papandreou, expressing their concern over the escalation of the Iran-Iraq war, back the recent resolution of the United Nations Organization Security Council, speak up for the withdrawal of all foreign military forces from the Gulf area and call on the leaders of the two states to put an undelayed end to the war.

At the same time, the president of the Socialist Republic of Romania, Nicolae Ceausescu, and the prime minister of the Hellenic Republic, Andreas Papandreou,

Voicing their peoples' will to live in peace and cooperation among the Balkan countries, irrespective of their political and social system,

Reiterating the consistent stance of Romania and Greece on the transformation of the Balkans into a zone of good neighbourliness, understanding, cooperation and peace, free of nuclear and chemical weapons,

Wishing also to contribute to gradually achieving a nuclear-free Europe, and supporting the proposals regarding the creation of nuclear-free zones in northern Europe and of a corridor without nuclear weapons in central Europe,

Urgently call on the leaders of all the Balkan countries to work for relations of good neighbourliness and cooperation, for economic, technical and scientific collaboration, for peace and disarmament in the Balkans, as an integral part of European peace, disarmament and cooperation problems. To this end they declared for the convening in Bucharest, as soon as possible, of a Balkan summit on the transformation of the Balkans into a zone free from nuclear and chemical arms, the broad promotion of cooperation and collaboration in the Balkans, built-up confidence, security and peace in this part of Europe.

LEADERS' NATIONAL DAY MESSAGE TO POLISH COUNTERPARTS

AU231035 Bucharest SCINTEIA in Romanian 22 Jul 87 p 5

[Message by Nicolae Ceausescu, RCP secretary general and president of Romania and by Constantin Dascalescu, prime minister of the Government to Wojciech Jaruzelski, first secretary of the PZPR Central Committee and to Zbigniew Messner, chairman of the Council of Ministers of the PPR, on the 43d anniversary of Poland's National Day]

[Text] To Comrade Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council and to Zbigniew Messner, chairman of the PPR Council of Ministers:

Dear Comrades,

On behalf of the RCP Central Committee, the State Council, the Government of the SR of Romania, the Romanian people, and on our own behalf, we convey cordial greetings and best wishes to the PZPR Central Committee, the State Council, and the PPR Council of Ministers and to the fraternal Polish people, on the occasion of the 43d anniversary of Poland's Rebirth Day.

The Communists, the working people, and all the people in Socialist Romania are aware of the steady activity carried out by the friendly Polish people under the PZPR leadership and rejoice in the successes attained in the socioeconomic development, in ensuring the flourishing of science and culture, and in building socialism in your homeland.

We highly appreciate the favorable evolution of the traditional relations of friendship and fruitful cooperation between our parties and countries, and we express our firm belief that these relations will follow a steadily ascending course, in the spirit of the talks we held and the understandings we reached during our recent meeting in Warsaw, for the benefit of the Romanian and Polish peoples and in the interest of the cause of peace, socialism, understanding, and detente throughout the world.

Your national holiday gives us the pleasant opportunity to convey to you, dear comrades, new successes in implementing the 10th PZPR Congress decisions on ensuring the flourishing and many-sided development of Socialist Poland.

Nicolae Ceausescu, RCP secretary general and president of the SR of Romania

Constantin Dascalescu, prime minister of the SR of Romania

LEADERS' NATIONAL DAY MESSAGE TO CASTRO

AU271503 Bucharest SCINTEIA in Romanian 26 Jul 87 p 5

[Message sent by Nicolae Ceausescu, RCP secretary general and president of Romania and Constantin Dascalescu, prime minister of the Romanian Government to Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Republic of Cuba Council of State and the Council of Ministers on the 34th anniversary of the Cuban national insurrection]

[Text] To Comrade Fidel Castro Ruz, first secretary of the PCC Central Committee, president of the Republic of Cuba Council of State and the Council of Ministers, Havana:

On behalf of the RCP, the SR of Romania State Council, the Government, the Romanian people, and on our own behalf we convey warmest greetings to you, to the PCC, the Council of State, the Government, and the Cuban people on the 34th anniversary of the Cuban national insurrection.

The Romanian people sincerely rejoice in the revolutionary changes and the achievement of the Cuban people obtained through peaceful work, under the PCC leadership, on the road opened by the national insurrection.

The national holiday of the socialist Cuba also gives us the pleasant opportunity to extend to you our wishes for health and personal happiness, prosperity and peace to the friendly Cuban people, and new successes in implementing the 3d PCC Congress decisions.

We firmly believe that by continuously developing the friendly relations between our parties, countries, and peoples we make a contribution to the cause of socialism, cooperation, and understanding throughout the world.

Nicolae Ceausescu, RCP secretary general and president of the SR of Romania

Constantin Dascalescu, prime minister of the government of the SR of Romania

CEAUSESCU RECEIVES PREMIER OF WESTERN AUSTRALIA

AU281912 Bucharest AGERPRES in English 1803 GMT 28 Jul 87

[Text] Bucharest, AGERPRES, 28/7/1987 -- On 28 July President Nicolae Ceausescu of Romania received Brian Bruke, prime minister of Western Australia, and a group of representatives of the Australian economic life now on a Romanian visit, at Neptun Resort.

The prime minister of Western Australia thanked warmly for the interview granted to him, the hospitality enjoyed by the delegation in Romania and for the chance to get to know the progress made by the Romanian people along the path of its economic and social development.

President Nicolae Ceausescu thanked for the appreciation and expressed satisfaction at this visit as well as the belief that it would contribute to further developing the mutually advantageous collaboration between Romania and Australia. The sides appreciated what has been achieved so far in point of developing the Romanian-Australian relationship and expressed the belief that, considering the experience amassed and the understandings agreed upon, wide prospects exist for a further powerful development of the economic and other collaboration between Romania and Australia, and in this framework, Western Australia.

President Nicolae Ceausescu showed that in her relations with other states, Romania sets out from the need for a balanced trade based on fully equal rights, respect for national independence and sovereignty, noninterference in the domestic affairs and mutual advantage.

Referring to the world economic situation, President Nicolae Ceausescu showed Romania to speak up firmly for solving the grave and complex problems by means of negotiations between the developed countries and the developing ones, which should lead to a general accord regarding the development, on an equal basis, of the economic relations, and should remove the inequities extant in these relations. Romania sets out from the need to support any action meant to remove the negative states of affairs from the world economy the current inequitable monetary and financial system, the excessive rates of interest, the discriminatory practices of any kind -- and to lead to world economic relations based on equitable principles of equality and mutual advantage.

In order to develop the economic relations one needs peace, confidence and a spirit of collaboration, stressed President Nicolae Ceausescu. That is why Romania speaks up and firmly works for a policy of peace, for halting the arms race, for the elimination of the nuclear arms and radically cutting on the conventional ones.

We believe, President Nicolae Ceausescu said, that different social systems must not be an obstacle in the path of developing the economic, technological, scientific, cultural collaboration,, generally to promoting good relations among all the nations in the world. Although our countries are rather apart, I believe that, based on the principles of equality and mutual advantage, we may develop a good collaboration, President Nicoleae Ceausescu showed in conclusion.

Participating in the interview were First Deputy Prime Minister Gheorghe Oprea, Deputy Prime Minister Dimitrie Ancuta, ministers and other officials.

ECONOMIC COMMISSION SESSION WITH PAKISTAN

AU291045 Bucharest AGERPRES in English 1006 GMT 29 Jul 87

[Text] Bucharest, AGERPRES, 29/7/1987 -- The eleventh session of the Joint Romanian-Pakistani Government Commission on Economic, Technological and Scientific Collaboration started in Bucharest on July 29.

In the spirit of the orientations and decisions agreed upon within the Romanian-Pakistani summit dialogue, the two delegations, headed by Nicolae Andrei, deputy minister of foreign trade and international economic cooperation, and M. Ag. M. Akhtar, secretary of state, the Economic Relations Deptartment under the Foreign Ministry of the Islamic Republic of Pakistan [name and title as received], analyze the current stage of implementation of the objectives established at the previous session, new possiblities and ways of deepening the collaboration and cooperation in domains of mutual interest and of increasing the bilateral goods exchanges.

SAWPY OFFICIAL RECEIVES ISRAELI DELEGATION

AU281655 Belgrade BORBA in Serbo-Croatian 23 Jul 87 p 4

[Text] Belgrade -- Mirko Ostojic, member of the SAWPY Federal Conference Presidium, talked yesterday with members of a delegation of the Israeli Council for Israeli-Palestinian Peace (CIPIP) and the Israeli Progressive List for Peace headed by Mati Peled. The delegation is staying in Belgrade at the invitation of the SAWPY Federal Conference.

The guests also conducted talks at the Yugoslav League for Peace and Friendship Among Peoples and the Institute for International Politics and Economics.

The talks referred to the possibility of developing friendly links between the two peoples, who are linked by the same fate of World War II and their common struggle against fascism. Mati Peled, president of CIPIP, spoke about the activities of his organization in finding a peaceful solution for the Middle East crisis and the Palestine problem, and for convening an international conference on the Middle East as soon as possible.

SAWPY'S OSTOJIC RECEIVES PLO OFFICIAL 24 JULY

AU281648 Belgrade BORBA in Serbo-Croatian 25-26 Jul 87 p 8

[Text] Mirko Ostojic, member of the SAWPY Federal Conference Presidium, yesterday held talks with Abu Mazin [Mahmud Rida 'Abbas], member of the PLO's Executive Committee, who as head of the organization's delegation, is paying a short working visit to our country.

TANJUG NOTES UNOFFICIAL PLO, ISRAELI, SFRY MEETINGS

LD281510 Belgrade TANJUG in English 1422 GMT 28 Jul 87

["Pool" item]

[Text] Belgrade, July 28 (TANJUG) -- Did an informal Israeli-Palestinian meeting really take place in Belgrade last week. Did Yugoslav State Presidency President Mojsov really meet Israeli Foreign Minister Peres in Geneva last week.

Neither of the two questions, which have evidently aroused public interest throughout the world, received an affirmative answer from Yugoslav official sources today.

It has been unofficially learned, however, that the meetings, that is between the Israelis and Palestinians in Belgrade and between Mojsov and Peres in Geneva, really did take place. This has been confirmed by Arab Circles in Belgrade and diplomatic sources in Geneva.

Although unofficial, both confirmations seem quite logical. Israeli and PLO representatives did visit Belgrade and both Mojsov and Peres were in Geneva at the openings of UNCTAD.

General Peled, a dissident member of the Israeli Knesset and advocate of a peaceful solution to the Israeli-Arab conflict was first to arrive in Belgrade last week. His visit to Belgrade was part of Yugoslavia's efforts to establish contacts with democratic and peaceloving forces in Israel.

Subsequently Abu Mazin [Mahmud Rida 'Abbas], member of the PLO Executive Committee arrived in Belgrade. Although he too conferred with Yugoslav officials, the main aim of his visit was allegedly to meet with Peled.

Peled and Abu Mazin [Mahmud Rida 'Abbas] met twice in Belgrade. No concrete details, even unofficial, could be learned, however, regarding the content of the talks. A communique on the talks was not released allegedly because it was not acceptable to Peled in view of the existing legal ban in Israel on the meetings with PLO representatives.

As far as the meeting between Mojsov and Peres is concerned, it took place at the Israeli initiative at a reception given by the Swiss president on the occasion of the opening of UNCTAD.

Both meetings, in fact, coincide with Yugoslavia's efforts to establish contacts with those forces in Israel which take a realistic approach to ways to solve the crisis in the Middle East, which primarily implies that, as a partner in a solution to the conflict, they also accept the PLO.

The prevailing conviction in Yugoslavia for some time now has been that a just solution implying Palestinian self-determination together with the creation of a Palestinian state headed by the PLO, is also in the interest of Israel. Israel cannot wage war eternally and the Jewish state's expenditures on war already amount to around 25 percent of the gross national product which has to a great extent affected its normal development.

On the other hand, Yugoslavia, employing its non-aligned position, has been striving to assist the establishment of even informal Israeli-Palestinian contacts, that is, between representatives of peaceloving forces in Israel and the PLO.

YUGOSLAV WORKERS FIRED UPON IN IRAQ, THREE WOUNDED

AU281606 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 28 Jul 87

[Text] A group of Yugoslav workers at (Bakuba), some 80 km northeast of Baghdad, was attacked with automatic weapons a few days ago. One worker was seriously wounded and two were lightly wounded; their lives are not in danger. The wounded workers were immediately given medical aid, and then transported to Yugoslavia.

The attack occurred at about 2200 in the evening when a dozen workers of the IMT and STT work organizations played soccer under floodlights. They were fired upon with automatic weapons. The Iraqi authorities are conducting an investigation so as to discover who the attacker was and the motive for the attack.

STRIKES END AT SANSKI MOST AFTER 12 DAYS

LD282208 Belgrade TANJUG Domestic Service in Serbo-Croatian 1652 GMT 28 Jul 87

[Text] Sanski Most, 28 Jul (TANJUG) -- Following a 12-day strike, today at 1500 production was resumed in the Sipad-Sana timber yard of Sanski Most. The end of the strike followed a decision by the workers' assembly to accept the offer of resignation by the Sipad-Sana management board, a demand made by workers on the 1st day of the strike, in which more than 1,500 wood-processing workers took part.

At today's extraordinary assembly, workers also endorsed a proposal to increase personal income by 55 percent. This is made possible by the half-yearly work results in Sipad-Sana, and by a decision on the minimum wage in this collective. It was decided that in the future the lowest personal income should not be below 100,000 dinars and that the ratio between the highest and the lowest personal income, instead of being, 1 to 3.6, as it has been, should be within the ratio of 1 to 3.

About 300 pit workers from the Fajdovci pit in the Kamengrad brown coal mine in Sanski Most today also resumed work. After they had been briefed on the material-financial situation, the miners dropped their demand for the 100 percent wage increase and settled for an increased starting basis of 40 percent with the possibility of higher earnings, which should be accompanied by higher production. The miners demand that a program of the mine's material and financial consolidation be urgently drawn up to establish clearer prospects and ensure more stable social security of miners was also accepted.

STRIKE ENDS AT RIJEKA PORT FACILITY 28 JULY

LD282156 Belgrade TANJUG in English 1817 GMT 28 Jul 87

[Text] Rijeka, July 26 [date as received] (TANJUG) -- The second work stoppage in the largest Yugoslav port Rijeka in just a little over a month has ended and work resumed today. During the five-day strike 120,000 tonnes of cargo was left unloaded. Two out of around thirty ships, left for other ports.

The workers' councils and workers' meetings at the Rijeka port today accepted the change in the self-management agreement proposal on income distribution according to which wages of the technical, warehouse and administration staff are totally equal to those of the port transportation workers'.

The change has eliminated one of the causes of the dissatisfaction of the workers. 1,500 participated in (?the strike), and tomorrow at the referendum the workers will vote on the final text of the self-management agreement.

Extra efforts will have to be made in the next few days since 36 ships, 900 railway cars and around 70 trucks are waiting to be loaded or unloaded.

RIKANOVIC STRESSES NEED FOR UNITED INFLATION REFORMS

AU281745 Belgrade BORBA in Serbo-Croatian 22 Jul 87 p 1

[Text] Stating that this was, in a way, his personal view because the FEC, in its report on economic trends, had already said what it had to say, Svetozar Rikanovic, federal secretary for finance, told the delegates of the Finance Committee that a suitable political climate for undertaking measures that would suit our entire situation has not been created.

"We need a political agreement on what we want. I would be happy if the SFRY Assembly adopted a conclusion that would bind the FEC to prepare economic reforms that would have to be followed with measures designed to ease the burden of inevitable social tensions. Combating inflation is very painful. It means closing down factories; it means that there could be some half-hungry people. This is why we can only enter into this process, which carries tensions in itself, united."

Converting into economic terms the warning made in the debate regarding the very difficult position of various activities, organizations, and social groups, Rikanovic stated that inflation would have to be higher than 100 percent to improve their position. [sentence as published] The protection of everything that exists is untenable when the country is indebted and the economy lacks motivation.

Noting that economic trends have been discussed as if there was "almost no hope," the federal secretary for finance said that it will be possible to make more realistic assessments after the year's first half results are released. At present it is already known that exports are good. Exports to hard currency markets increased 17.1 percent. In his opinion the philosophy of the new accounting system has proved itself, although some changes will probably be needed.

The financing of the sale of some goods for which export levels have increased is nothing but a reduction of their price, Rikanovic thought, pointing out on the basis of that example that exports need not be stimulated solely by exchange rates. Rikanovic proposed a defense system for protecting the dinar that would bring in more foreign exchange, noting that many unfounded criticisms have been made about the foreign exchange system.

DONEV DISCUSSES ISSUE OF FEC RESIGNATION

AU281747 Belgrade BORBA in Serbo-Croatian 23 Jul 87 p 3

[B. Marjanac report: "Popular Question"]

[Text] Svetozar Rikanovic, federal secretary for finance, said yesterday in the Assembly that the FEC was able to offer a way out of the crisis but that there was no political consensus about it. Does the FEC intend to offer its solution? If the FEC has the solution, but it is not offering it, does it intend to resign? -- asked delegate Ivan Grubisic at today's session of the Markets and Prices Committee.

The question regarding the FEC's resignation has become popular, replied Aleksandar Donev, federal secretary for markets and general economic affairs. We are searching for a way out of this crisis, but we have encountered difficulties because we wanted to solve long-lasting problems overnight. Some economic entities are not ready for major changes and we did not apply rigorous measures selectively. But if one is asking the FEC to resign, how is it that nobody is asking why the FEC has been so persistent in implementing the stabilization program?

JOINT CHAMBER REVIEWS ECONOMIC SITUATION

LD242014 Belgrade TANJUG Domestic Service in Serbo-Croatian 1338 GMT 24 Jul 87

[Excerpts] Belgrade, 24 Jul (TANJUG) -- Stating that the economic situation is deteriorating, the Chamber of Republics and Provinces today assessed that urgent measures are necessary to halt the unfavorable economic trends. The chamber believes that a special program of harmonized measures is needed to curb the enormous inflation. This is how the debate on economic trends, in which attention was focused on the three-figure inflation and difficulties in the payment of debts, was concluded. Eight participants in the debate believed that the measures already proposed and undertaken do not guarantee the slowing down of inflation or any major improvement in the country's external liquidity.

Assessing that dynamic and quality production, in addition to an increase in exports, have not been the chief weapon in the struggle against inflation and the elimination of overall economic instability as was planned, Martin Mlinar (Slovenia), stressed the vital need for new moves and greater responsibility in urgently seeking a solution. Highlighting the increase in exports as one of the key directions for overcoming instability, he announced the stances of the Slovene Assembly on the need for changes to the foreign exchange law. Keeping the basic systemic solutions contained in this law, a formula should be established according to which the right to make payments abroad would be tied to the foreign exchange earnings of each subject, and not to the distribution of so-called socially recognized rights to import.

A market orientation, autonomy, and responsibility of work collectives should, in Molnar's view, now take the place of the overbearing administration and intervention in the economy. Mlinar also conveyed, among other things, observations of the Slovene Assembly on the work of the Yugoslav National Bank, and especially the Association of Yugoslav Banks, which, he said, has some kind of cartel position in the credit and monetary sphere. As a result, its decisions sometimes slow down and even hamper the implementation of adopted policy.

Spasoje Medenica (Montenegro) assessed that the measures proposed do not promise to halt undesired economic trends and still less to set things on the road to improvement. Analyzing various views on curbing inflation, he advocated a complete program as well as joint measures for the social protection of people, so that they would not "fall" in increasing numbers to the existential minimum. [passage omitted]

Bearing in mind the seriousness of the economic situation expressed primarily in three-figure inflation and the exacerbated external liquidity, Radman Milosavljevic (Kosovo), conveyed the assessment of the Provincial Assembly that additional measures are essential for guaranteeing the more rapid improvement of economic circumstances. He mentioned among other things that the measures for the more rapid development of Kosovo are being implemented with great difficulty, or not at all.

The recent postponement of payment of two installments of the debt to foreign creditors is a result of the erroneous assessments of the ability of our economy in meeting the commitment to foreign countries at the current rate, Janez Drnovsek (Slovenia), said. He advocated the reexamination of debt relations with foreign creditors with the aim of making it possible that annual debt repayments do not endanger economic growth and living standards as a whole, because the long-term scope for paying off the debt depends on the country's economic development. [passage omitted]

The Chamber of Republics and Provinces concluded that most of the measures for halting the relative stagnation in the development of Serbia have been adopted, but that the adoption of the remainder should be accelerated. This refers to the securing of a loan from the IBRD, funds for the removal of the consequences of the earthquakes on Kopaonik, and to the reduction in the contribution of the National Bank of Serbia to the Yugoslav National Bank. [passage omitted]

Because of the disagreement in the Slovene Assembly, the Chamber of Republics and Provinces decided to cover the 8.8 billion dinars of exchange rate difference for the Macedonian feni enterprises on the basis of temporary measures. Money to meet the overall exchange rate differences in this organization this year, which has been wound up, will be set aside from customs and import duties, in other words, from revenue of the federation.

On the basis of the law adopted today somewhat less than 77 billion dinars will be spent on financing the program for the modernization of federal organs up to 1990.

The Yugoslav National Bank has obtained permission to issue notes of 10,000, 20,000 and 50,000 dinars.

By a decision of the Chamber of Republics and Provinces a further 17.9 billion dinars will be paid to cover last year's contributions toward the removal of the consequences of the earthquake in Montenegro.

The Chamber of Republics and Provinces today elected Krste Calovski, Ivan Kristan, and Dimce Kozarov as judges in the Yugoslav Constitutional Court. Kiril Cavdar was elected a Federal Court Judge.

Risto Bajalski, Marko Belinic, Peko Dapcevic, Toma Granfil, Dr Josip Hrncevic, Veselinka Malinska-Kostarova, and Milorad Zoric were reelected to the Council of the Federation at the suggestion of the SFRY Presidency.

KOSOVO OFFICIAL DENOUNCES ATTACK ON SERBIAN GIRL

AU281952 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 28 Jul 87

[Text] A recent attempted molestation [napastovanje] of an underage girl of Serbian nationality in Klina is a very insolent and provocative act, Vojislav Zajic, secretary of the Kosovo LC Provincial Committee Presidium, has said at a session of the LC of Klina Communal Committee. The fact that it occurred at the time of a festive session of the Kosovo LC Provincial Committee and in the immediate vicinity of the Interior Secretariat building indicates that this incident, apart from its great impudence, may have a deeper political background and motives of a hostile nature.

Such cases of pressure of a similar kind, Zajic added, deeply shock the entire national being of the Serbs and Montenegrins in Kosovo, and have a very negative effect on the climate of security and the prospects of life in this community. Vojislav Zajic proposed that a working group of the Communal Committee be formed to assess the political security situation and determine the responsibility of those who have brought the commune of Klina to such a bad situation.

SUVAR HOLDS CONFERENCE ON 'IDEOLOGICAL PLENUM'

LD232108 Belgrade TANJUG Domestic Service in Serbo-Croatian 1249 GMT 23 Jul 87

[Text] Belgrade, 23 Jul (TANJUG) -- We do not need ideological work as some kind of decoration, but as an everyday activity, for which the basic LC organizations are the most responsible. This was pointed out by Stipe Suvar, LCY Central Committee Presidium member, in today's conversation with journalists held on the occasion of the recently published stands of the "ideological plenum."

Suvar devoted the greatest attention to the tasks from this document, saying that the public information media could considerably contribute to their implementation by "analytical and research-oriented writing." He laid emphasis on the LCY Central Committee's partial innefficiency in implementing its own conclusions and speedily overcoming the differences slowing down the implementation of already established policy. There is still a great deal of work to be done, Suvar noted, before the LC could replace the great men of the revolution who had left the scene, and start functioning as a "collective Tito."

In Suvar's words, the public media could also have a positive effect on the implementation of part of the "stands," referring to the duty of the LCY Central Committee and its Presidium to react promptly to the phenomena of dealing again the matters already discussed. This is a "serious illness" of the LC, he noted, adding that it is equally important to establish a practice of invoking "public party responsibility" on those who do not stick to the policy and stands of the LC or who interpret them in a biased way.

It is not without reason, Stipe Suvar stressed, that the issues such as greater effect of associated labor on decision-making at all levels, implementation of the constitutional concept of the federation, democratization of the delegate, assembly and electoral system and the function and role of the state, and the relations on which unity and fellowship in Serbia are based, are referred to as the ones that will be given special attention in the forthcoming constitutional changes in the LCY Central Committee political system.

Stressing the work "on the ground" is a prerequisite for a successful ideological struggle, Stipe Suvar said that many of the basic LC organizations were "stagnating," and that party meetings were frequently the places where there is "lamenting over the fate of socialism," instead of examining one's own tasks at the ideological level. Increasingly frequent correspondence of the basic LC organizations and the municipal committees with higher forums leads to a conclusion that there exists a certain ideological confusion, he added, stating that it would be more effective if LC members in large collectives ("a well-known composite organization of associated labor in the field of electronics") were to get involved in a program of their own restructuring, and not in sending "surplus labor" to the care of the state.

In his reply to questions in connection with attitudes toward the latest Serbian LC Central Committee session and the discussion on item 11, [not further identified] Stipe Suvar said that the LCY Central Committee Presidium did not discuss it. I personally object to the territorialization of opinions -- which is not only proper to relations in Serbia -- Suvar stressed -- and not to the fact that this or that question is decided on by voting for or against, because it is assumed that the stand of the majority will be unanimously implemented. In any case, this is a long-standing question (and perhaps it is a good thing that it had been publicly stated) that should be resolved in the forthcoming constitutional changes.

Suvar also briefed the journalists on party meetings that will be devoted to ideological issues during next year. For instance, the LCY Central Committee session to be held most probably in November will be devoted to theoretical work and ideological training in the LC. Sessions on sociological transformation of culture and the situation concerning intranational relations are planned for next year, while a party meeting on the realization of the rights and freedoms of men and citizens is also envisaged. An action conference of Communists in the public information media will be prepared at the start of this fall.

ARMY LCY ORGANIZATION DISCUSSES PROGRAM TASKS

LD231621 Belgrade TANJUG Domstic Service in Serbo-Croatian 1152 GMT 23 Jul 87

[Text] Belgrade, 23 Jul (TANJUG) -- A session of the Yugoslav People's Army LCY Organization Presidium (presided over by Georgije Jovicic) was held in Belgrade today. The agenda included the tasks facing the Yugoslav People's Army LCY Organization as formulated by the conclusions of the Ninth LCY Central Committee session on the implementation of the LCY stances regarding the development of socialist self-management, brotherhood, unity and togetherness in Kosovo.

Proceeding for Point 22 of the conclusions, the Presidium is reported to have discussed the program of immediate tasks facing the organizations and organs of the Yugoslav People's Army LCY Organization. The program will be submitted to the Central Committee of the LCY Organization in the Yugoslav People's Army for adoption in September.

The program places emphasis on the need to enhance the ideological and action unity of Communists and all other Army members in implementing the conclusions on Kosovo, to step up ideopolitical and educational activity, particularly among conscripts and young officers, to vigorously oppose nationalism, Albanian nationalism in particular, and to intensify cooperation with sociopolitical organizations in Kosovo, especially with youth organizations.

The Presidium stressed the need for the LCY organizations and organs in the Yugoslav People's Army, as well as Communists in the organs of command, to continue activity in fulfilling these priority tasks in order to maintain continuity of action.

MOJSOV ADDRESSES NEWLY PROMOTED OFFICERS

LD251336 Belgrade TANJUG Domestic Service in Serbo-Croatian 0019 GMT 25 Jul 87

[Text] Belgrade, 25 Jul (TANJUG) -- The Yugoslav People's Army is the powerful backbone of our Armed Forces, a mass school of all-people's defense, a reliable support, and the pride of all working people and citizens, all nations and nationalities of Yugoslavia. This was stressed by Lazar Mojsov, president of the SFRY Presidency, on behalf of the Presidency, addressing the cadets of military academies promoted to the ranks of the youngest officers of our Army at today's ceremony at the Land Army Military Academy.

You have become active officers in the Army that was created and developed under the leadership of the party and Tito. The completion of your education as well as the first duties you will be given fall in the year in which we mark the 50th anniversary of Tito's arrival as the head of the party and express sincere respect for his historic role and work, said Mojsov.

Speaking about the personality and work of Josip Broz Tito, the president of the SFRY Presidency said: "We must never forget that our fate would have been fundamentally different had we not had Tito and the United Communist Party in crucial historic moments. They led the people in resolute armed combat, ensuring national and social freedom for all our nations and nationalities. Tito is a synonym for our liberation struggle and socialist revolution, as well as for all our victories and achievements; it is for this reason we will not let anyone cast a shadow of doubt on his work and personality."

It is very important for you, as our Army's young officers, stressed Mojsov, that in your future work with cadets you not only raise the degree of their combat training, but also develop and nurture their love and respect for the gains of our revolution, forming consistent fighters for socialist self-management, equality, brotherhood and unity of our nations and nationalities, as well as a strong and stable Tito's Yugoslavia.

Speaking about the general international situation, Mojsov said that it is marked mainly by relations between the superpowers and their arms race, which has not lessened in intensity despite certain encouraging signs of dialogue and negotiation. Then there are also hotbeds of crisis and local wars, that bring continual danger of more widespread conflicts, as well as human losses and material destruction. Pressures of all kinds, and even the use of military force that threatens the independence and security of nonaligned countries, are also resorted to, added Mojsov.

Special danger comes from a very broad application of science and technology in inventing and perfecting new types of arms for the mass destruction of people. In terms of civilization this represents an unprescedented abuse of human reason and creativity, and threaten to destroy mankind, warned Mojsov.

Stressing that Yugoslavia, in cooperation with nonaligned countries and other progressive forces of the world, exerts enormous efforts in the international community so that reason will prevail over insanity, the president of the SFRY Presidency said that we should insist on consistent implementation of the principle of a peaceful solution to all conflicts in international relations as the main condition of preserving peace and progress in the world.

For this reason we are striving, Mojsov went on, to direct the world toward disarmament, agreement-seeking, and cooperation in resolving the burning world problems, and also toward the development of democratic relations on an equal footing among peoples, nations, and states. We will continue to do everything in our power in order to contribute to the struggle for peace, disarmament, progress, and the social development of mankind, said the president of the SFRY Presidency.

Speaking about our country's difficulties, Mojsov said that they are great, but not insurmountable. It is necessary, he added, to break away from the practice of partial and hesitant approach to the implementation of the established policy, and also to have more feeling for the joint and general Yugoslav interests.

Our efforts in the forthcoming period will be directed first and foremost toward the halting of negative trends in the economy, Mojsov went on, and the acceleration of economic development, for which we already have an adopted strategy in the Long-Term Program of Economic Stablilization.

In Mojsov's word's the stabilization of our internal political situation is also an important task. Among the measures that must be taken to this effect, he laid special emphasis on the speediest possible stabilization of the events in Kosovo. The whole country is now exerting great efforts, he added aimed at the implementation of the stands of the SFRY Presidency and the LCY Central Committee Presidium, as well as the Ninth LCY Central Committee Plenum, at which concrete conclusions were adopted for the resolving of the accumulated political, economic and intranational problems in this province.

Also the preparation is a Yugoslav program for the halting of the emigration of Serbs and Montenegrins from Kosovo; Mojsov recalled, and for a speedier return of emigrants and those who wish to live and work there. We are also faced with voluminous and concrete work on the changes to the SFRY Constitution with the framework of the proposals submitted by the SFRY Presidency. The meaning of the proposed solutions is to eliminate the systemic inefficiency and ensure a more effective functioning of the political system, said Lazar Mojsov, president of the SFRY Presidency, addressing the youngest officers of the Yugoslav People's Army, who will soon be given their first duties in our armed forces.